

State of Vermont

**Purchasing and
Contract Administration
Division**

Buyer's Resource Guide

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INTRODUCTION

This manual is intended as a guide for Vermont state agency personnel to the policies, procedures, and practices that guide the state's procurement process. The Purchasing and Contract Administration Division's goal is to provide state agencies with good products and services that meet agency requirements effectively, at the lowest cost, through a process that meets all applicable laws and administrative requirements.

Title 29, Chapter 49 V.S.A states "The Commissioner of Buildings and General Services shall contract for and make all purchases, including but not limited to all fuel, supplies, materials, equipment, for all departments, offices, institutions and other agencies of the state and counties."

The Purchasing and Contract Administration Division is charged by the Commissioner to provide those services and administer the requirements outlined in the statutes and applicable administrative bulletins.

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PURCHASING DEFINITIONS

VISION (VERMONT INTEGRATED SOLUTION FOR INFORMATION AND ORGANIZATIONAL NEEDS): VISION is the state's integrated Financial and Purchasing Management System. State agencies use it to process both purchasing and financial transactions.

COMMODITIES: A collective term given to the tangible products we purchase for state government. These include, but are not limited to, materials, equipment, supplies, fuel, and printing. A Purchasing Agent's area of responsibility is often described by one's commodity assignments. Commonly used commodities may be found in the VISION Item Table.

SERVICES: In contrast to commodities, services are intangible—labor, time, and effort whether or not an end product is delivered. Services may be associated with material purchases in the form of installation, training, and maintenance or stand alone in such areas as janitorial work or professional tasks.

DELEGATIONS: Authority given by the Commissioner of Buildings and General Services to the agencies to make direct purchases. These exist as Blanket Delegations of Authority.

EMERGENCY PURCHASES: Purchases that take place under time constraints involving public health, public safety, or where immediate purchase is required for repairs to state property to prevent or minimize serious disruption in state operations.

NO-SUBSTITUTE PURCHASE: An award for the acquisition of a specific make, model, or brand item without considering alternatives.

SOLE SOURCE PURCHASE: An award for the acquisition of a commodity or service from a specific vendor because of the unique nature of the requirements.

REQUISITION: A request submitted through the state's VISION System to the Purchasing and Contract Administration Division is used to initiate the purchasing process. It contains details of the requested product such as description, quantity, delivery times and places, and special terms and conditions. It serves as the authorization for the division to proceed to acquire the item(s). It is important that requisitions include a realistic estimate of the cost of the item being requested.

REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP): The various types of documents that are used by Purchasing to obtain competitive bids are:

RFQ: An informal bid process used for routine "bid and buy" transactions where the primary award factors are limited to price and delivery.

RFP: Used when the purchasing process is more complex and the response requires the bidder to provide a solution or long term vendor commitment.

FORMAL BID PROCESS: An RFQ or RFP process where the dollar value of the purchase exceeds the threshold set in Bulletin 3.5 (Reference Appendix).

Bids are opened publicly at a set date and time, and late bids are not considered.

PURCHASE ORDER (PO): The document written for an order to a vendor. The Purchase Order details and defines the terms and conditions of the purchase.

Agencies prepare Purchase Orders in the VISION System to order items available on contracts. Purchasing also prepares Purchase Orders to meet agency requirements that are not covered by a contract or BDA. Agencies are responsible for dispatching and mailing all Purchase Orders prepared in the VISION System.

CONTRACT: A formal document that is issued for a defined period when there is an ongoing agreement with a vendor to provide products or services. Common types of contracts are:

TERM: A contract that has no specified amounts but allows for the purchase of specific products at a set price. A term contract may also be referred to as a Blanket or Requirements Contract.

LABOR AND MATERIALS: Contract involving both products and labor. Construction projects and installation of equipment come under this category.

PROJECT BASED/FIXED PRICE: A contract for goods and/or services that stipulate a firm, fixed price for specific deliverables. All IT contracts must be of this type.

LEASE: A form of contract that involves a series of payments (usually monthly) for the use of equipment.

BLANKET DELEGATION OF AUTHORITY (BDA): These are issued by P&CA to delegate authority to agencies/departments to directly purchase specific types and classes of items with limited or variable availability considerations.

WHAT WE BUY

V. S. A. (Title 29, Chapter 49, Subsection 902) states that the Commissioner of Buildings and General Services shall contract for and make all purchases of material, equipment, fuel, supplies and printing for the agencies of State Government. The Purchasing and Contract Administration Division (P&CA) is responsible for managing the acquisition of material, equipment, printing, and supplies required by state agencies. We also do construction contracting for the Military Department, the Agency of Natural Resources, the Department of Buildings and General Services and other agencies on request. In addition, under the policy of the Information Resource Management Advisory Council (IRMAC), P&CA issues all approved information technology related RFP's and manages the administrative process. Many of our contracts involve a combination of products and services. We are also frequently asked by agencies to provide advice on contracting procedures and to process RFPs for services.

HOW WE BUY

The Purchasing and Contract Administration Division administers a competitive purchasing process that meets statutory requirements and complies with Administrative Bulletin 3.5 (Reference Appendix).

Agency requirements are met through one or a combination of the following:

Contracts

The Division maintains over 400 contracts for a wide range of items used by state agencies. Users may access and order from contracts through the VISION System. A current list of widely used contracts is also available on the Internet and are available to print from the web site at www.bgs.state.vt.us/pca/, just click on 'current contracts' then click on the contract number. This list is updated monthly.

Competitive Proposals

Depending on the type of item or service required, the division may use Requests for Quotation (RFQ), Formal Bids, or Requests for Proposal (RFP) to solicit bids to meet the state's requirements.

Requisitions

Agencies submit requisitions online through the VISION System to order items that are not currently available on contract or covered by a BDA (see below). Requisition requirements are normally bid and result in a Purchase Order or Contract.

Purchase Orders

Agencies prepare Purchase Orders in the VISION System to order items available on contracts. Purchasing also prepares Purchase Orders to meet agency requirements that are not covered by a Contract or BDA.

Blanket Delegations of Authority (BDA)

BDAs are used to delegate authority to state agencies to directly purchase specific types and classes of items when the best interests of the state are served. For example, fresh produce, special client requirements.

Emergency Purchase Authorization

Emergency purchases occurring during working hours exceeding \$2,500 should be approved in advance by Purchasing and Contract Administration. When approval is received, the agency will be furnished with a Purchasing Agent approval number that must be indicated on the payment voucher. Emergencies that occur during non-working hours necessitating immediate purchase, may be made with the individual agency or department head taking responsibility for the purchase. In such cases, you need to contact Purchasing and Contract Administration to request approval the next working day.

Purchasing Agent Approval Number

When Agencies have an immediate need for an item that is not available through any of the above methods, they can consult with the Purchasing Agent assigned to the commodity prior to purchase. If appropriate, the Agent can approve the purchase and issue a unique approval number. Approval numbers are not issued for purchases exceeding \$10,000.

SOLE SOURCE AND NO-SUBSTITUTE PURCHASES

Every reasonable effort should be taken to promote a competitive bid process when selecting a contractor. However, in certain circumstances, negotiating with only one contractor or selecting a specific product may be appropriate.

Sole Source Purchase

Sole Source Purchases are defined as an award for the acquisition of a commodity or service from the only known capable supplier because of the unique nature of the requirements, time restraints, and supplier or market conditions. All “Sole Source” requests, regardless of the dollar amount, must be submitted in writing to the Purchasing and Contract Administration Division with appropriate documentation. Sole Source procurements are reviewed in accordance with the approvals required under Administrative Bulletin 3.5. For requests exceeding \$10,000 the Division will submit the proposed contract or purchase order and the Agency documentation, with a memo from the Buildings and General Services Commissioner, to the Secretary of Administration recommending support for, or challenging, the “Sole Source.” The Commissioner will forward the request to the Secretary of Administration. “Sole Source” requests between \$10,000 and \$75,000 may be executed at the end of one week as long as we have not received an objection from the Secretary. All “Sole Source” contracts greater than \$75,000 must be approved by the Secretary of Administration prior to execution.

No-Substitute Purchase

A no-substitute Purchase is defined as an award for the acquisition of a specific make, model, or brand item without considering alternatives. No-Substitute purchases will be bid out as per the requisition process. Agencies requesting that items be purchased on a “No-Substitute” basis must provide satisfactory documentation to support the request. If a “No-Substitute” request results in a “Sole Source” acquisition the process described above must be followed.

All of the processes described above are listed in detail elsewhere in the Resource Guide, which is designed to help agencies in working with the state’s procurement process. If you have any questions concerning the division and the processes we use, please contact Deborah Damore, Chief of Purchasing and Contract Administration Division, Phone: (802)828-5784 E-mail: deborah.damore@state.vt.us.

PURCHASING CARD

The State of Vermont Purchasing Card is a Visa credit card administered by the Department of Buildings and General Services on behalf of the State of Vermont. The Card is used for state business only. No personal purchases are allowed.

Program Overview: The Program is designed to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high volume repetitive purchases. We also wanted the program to:

- Control spending limits at point of sale
- Restrict unauthorized purchases at point of sale
- Empower employees with purchasing authority
- Expedite receipt of goods and services
- Improve vendor payments
- Add accountability
- Eliminate the number of invoices received and processed by the state

The Purchasing Cards are issued with the following Basic Parameters:

- \$2,500.00 Per-Transaction limit (or less) for non-contract goods and allowable services – defined by issuing departments
- Card use for State of Vermont business only
- No personal purchases are allowed
- Receipts for every purchase must be retained and presented
- Ability to use the card for travel expenses
- Ability to use the card for contract purchases
- Not intended to avoid or bypass appropriate purchasing or payment procedures

Program Design: Purchasing and Contract Administration, in conjunction with an Advisory Group, oversees the State of Vermont program. This includes setting all program parameters, policies, and procedures. Each individual agency or department is set-up independently and may set tighter parameters within the guidelines of the program.

Payment to Bank of America: Under the Program, BGS Accounting has responsibility for receiving and paying the individual “statements” or invoices that we receive monthly from the Bank. We currently receive one statement for each participating department. The participating department is responsible for timely reimbursement to BGS.

For more information about the program, please contact your business manager or visit the Purchasing Card web-site at www.bgs.state.vt.us/pca/pcard/index.

PURCHASING ETHICS

Ethics are rules or standards that govern the conduct of members of a profession. All state personnel involved in the purchasing process must recognize and understand the importance of proprieties of conduct in purchasing transactions. A public purchasing function can only remain effective as long as it maintains its reputation for courtesy, honesty, integrity, and fair dealing. Maintaining a good reputation with suppliers means practicing good moral standards and conveying them by exhibiting fair and above board practices.

Employee Conduct

State Personnel Policy states: "Employees shall not use their positions to obtain special privileges or exemptions for themselves or others." Specifically, state personnel involved in the purchasing process should not use their position to solicit, receive, or agree to receive any compensation, gift, reward, or gratuity from any supplier.

Confidential Information

All state personnel involved in the purchasing process shall not use or disclose confidential information gained in the course of or by reason of their official position or activities in any way, except as authorized by law. Nor shall they use such information for their personal gain or benefit.

Conflict of Interest

All state personnel involved in the purchasing process should not participate in any purchasing transaction where they may be perceived to have a personal interest. Prior to taking any official action which purchasing personnel have reason to believe involves a real or perceived conflict of interest, they shall furnish their supervisor a written statement describing the matter and the nature of the potential conflict of interest.

Vendor Relationships

Vendors are an important part of the purchasing process and should be treated fairly and with respect.

TIME FRAMES

The Purchasing and Contract Administration Division is committed to supplying the products or services you need, when you need them, at the lowest cost. Working together, we can accomplish this goal. As a customer, you can help us meet our commitment to effectively serve all agencies. With a little advance planning, almost all your requirements can be met in a reasonable timeframe.

Contracts, which considerably shorten lead times, should be considered for frequently ordered items.

The division encourages you to involve us at the earliest stage of your ordering process. That way we can help you plan your purchasing needs in advance and effectively meet your requirements. In emergencies we will make special efforts to expedite the process.

ADDITIONAL PURCHASING RESOURCES

In addition to this **Buyer's Resource Guide**, the following can be used to provide help and information:

Bulletin 3.5

This administrative bulletin provides the guidelines that all departments/agencies are to follow when contracting for services. Purchasing and Contract Administration must also follow these guidelines, so the procedures would be applied to your requests to us. Our staff can provide you assistance in ensuring compliance with the Bulletin's provisions. (Reference Appendix for complete copy.)

Service Contracts

Purchasing and Contract Administration can provide assistance in drafting specifications and Requests for Proposal for service contracts. Refer to your business office for internal requirements.

Purchasing and Contract Administration Web-Site

At www.bgs.state.vt.us/pca you will find information regarding our staff and the commodities for which they are responsible. In addition, there is a listing of current statewide contracts giving important details with links to the actual text. You will also find the latest PC&A news, frequently asked questions, the most updated version of this guide, and a sample RFP shell. The information is updated once a month to provide you with the most up to date information.

Purchasing Staff

The Purchasing Agents are always available to answer questions. They can assist you with the VISION System, direct you towards contracts or suggest sources of supply, act on your behalf if you are unable to solve a problem with a vendor, and provide assistance on the procurement process.

Electronic Bid Board

Information about Bid Opportunities is posted on the internet via an Electronic Bid Board (EBB) (www.vermontbidsystem.com) administered by the Department of Economic Development's Vermont Business Assistance Network program. Each posting contains a brief summary of the proposal, deadlines for submission of bids, and a contact point to obtain a complete copy of the bid. All State of Vermont bid opportunities with a value exceeding \$10,000 are required by Bulletin 3.5 to be included in the postings. P&CA routinely posts all bid opportunities exceeding \$5,000 on the EBB.

Vision Help Desk

Individuals with a strong knowledge of the VISION System's functionality staff The VISION Helpdesk. If you have problems entering transactions on the system contact the Helpdesk at 828-0407.

Purchasing and Contract Administration (P&CA) Newsletter

The newsletter is used at least monthly to provide you with updated information about the contracts that are in effect for use by State Agencies as well as other information of interest about Purchasing and Contract Administration. We welcome your comments and suggestions about the information provided and how to make it more useful.

If you have any questions or comments for P&CA simply reply to the e-mail. If there are other State of Vermont staff that would like to be added to the Newsletter have them send e-mail to state-purchasing-request@state.vt.us. All they need to do is type the word "subscribe" in the body of the message, remove any other writing from the screen and send it.

Outreach Training

Members of the staff at P&CA will come to your work place and meet with administrative staff from your agency to discuss how we can serve you better. Periodically the class "Buying for the State" is offered through the Learning Center in Waterbury. For more information on training contact Ken Feld at 828-4658 or kenneth.feld@state.vt.us.

VISION

(VERMONT INTEGRATED SOLUTION FOR INFORMATION AND ORGANIZATIONAL NEEDS)

Vermont's VISION System is used to acquire the materials, equipment, services, and supplies required by agencies of Vermont state government. Each state agency can access VISION through the GOVNET Network. Contact your business manager to set up your access.

Features of this system include:

- ◆ Access to a universal commodity database (Item Table) that provides current specifications, process for ordering items needed, vendors, last prices paid, contract status, etc.
- ◆ Agency ability to create, authorize, and review requisition status as well as review finalized purchase orders and contracts. This gives users information such as delivery dates, price, and awarded vendor.
- ◆ Agency inquiry and printing of contracts, terms, conditions and contract line item inquiry. For example, have they been extended? What is the expiration date? Has the contract been replaced by another contract? Etc.
- ◆ Report section is used to generate a list of contracts available to various state agencies.

GENERAL STEPS IN THE PURCHASING PROCESS

STEP #1: Determine What You Need: Be specific in defining what it is you need, when you need it, and what special requirements you might have, e.g. training, inside delivery, or installation.

STEP #2: Is it available through one of the Purchasing and Contract Administration Division's Contracts? To find out you can go to the VISION System, check with your business office, call Purchasing and Contract Administration Division or check the web site at www.bgs.state.vt.us/PCA/.

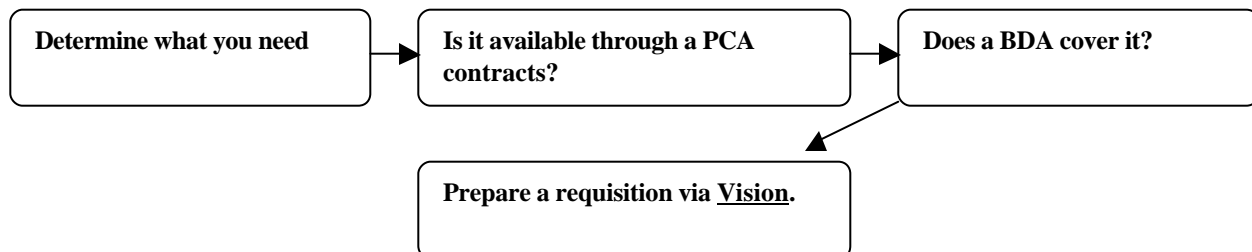
- ◆ YES! Follow the Contract's "method of ordering" instructions.
- ◆ NO! Go to Step 3.

STEP #3: Does Blanket Delegation of Authority #1 (BDA-1) or another BDA cover it? You can find out by checking with your business office or the Purchasing and Contract Administration Division web-site www.bgs.state.vt.us/PCA/.

- ◆ YES! Follow your agency/department procedures for purchasing under the BDA.
- ◆ NO! Go to Step 4.

STEP #4: Prepare a Requisition via VISION. Provide detailed specifications:

- ◆ **Delivery times.**
- ◆ **Special needs, etc**
- ◆ **Will this be a one-time order or will the item(s) be purchased frequently?**
- ◆ **Should a contract be considered?**



SPECIFICATION DEVELOPMENT

Well-written specifications are an essential component of the purchasing process. The purpose of a specification is to provide a basis for obtaining a commodity or service that will satisfy a particular need, at the proper level of utility and quantity, at a reasonable cost, including the full cost of ownership. Good specifications must be broad enough to allow for fair competition, yet be precise enough for an agency to obtain the quality commodities and services it needs.

A specification may originate with an agency, an architect or independent engineer, a government entity, or a professional society or association. However the Purchasing and Contract Administration Division has the responsibility for the correctness, competitiveness, and suitability of specifications.

The Division makes the final approval of specifications before their use in the bidding process. The using agency will be notified of any changes prior to the bidding process.

Good communication between agency users, purchasing staff, and potential suppliers is an important factor in developing specifications. Please be sure you include all the pertinent information needed to complete specifications. The following types of information should be considered in developing specifications:

- Quantities desired
- Delivery time and location requirements
- Performance standards (Can you measure that performance?)
- Physical or functional characteristics
- When describing a service identify frequency, method, etc.
- Inspecting and testing requirements
- Packaging requirements
- Identify the product by brand name or “or acceptable equivalent” whenever possible
- Establish minimum product standards
- Are there acceptable brand lists and qualified products lists?
- Training requirements
- Method or formula to be used for award
- Evaluation factors and their relative importance

- Reference to a brand and/or model may be made with the opportunity to submit equal alternative product given to the vendor.
- If equal products are not acceptable to an agency, a complete justification should be included for review and “No Substitute” or “Sole Source” should be indicated.
- When project-related, include a statement specifically describing the phases of work or services, major tasks, or areas of responsibility the contractor is to perform at a particular site or within a particular locale during a stated period of time. The statement must identify specific objectives the contractor is to attain or describe, in detail, the deliverables the contractor is to provide. Include a schedule of delivery.
- Conduct market research. What is currently available?
- Proactively engage customers in developing specifications and drawings, seeking their perspectives and inputs.
- Ensure best designs/technical solutions.
- Identify and incorporate best practices in specification development.

FREQUENTLY ASKED QUESTIONS

1. **What services do the Purchasing and Contract Administration Division provide to my Agency?** P&CA provides State Agencies/Departments with their commodity needs (materials, equipment, fuel, supplies, and printing) through contracts and one-time requisitions. In addition, we can supply information on where to go for product information as well as offer assistance in drafting specifications and Requests for Proposal for service contracts.
2. **What is VISION? Who can instruct me on it?** VISION is the statewide financial management system and it is the method used to place requisitions, prepare orders for items on contract, and search for commodity information and access contract details. For assistance call the VISION Help Desk at 828-0407. Purchasing and Contract Administration staff will also try to answer questions.
3. **How can I find out if what I want to buy is on Contract? What do I do if it is on Contract?** You can look it up in VISION or check the Purchasing & Contract Administration's web-site at www.bgs.state.vt.us/pca for listings of current contracts. Contracts are easily printed from the VISION system or from the web-site. If the item is on contract, review it carefully for the method of ordering and other terms and conditions. A purchase order must be prepared for all items ordered.
4. **What is the dollar limit for a "local purchase order" (no P&CA involvement)?** Agency and department heads are given a delegation of up to \$2,500 for items not covered by contracts or regularly ordered for inventory. For example, you could buy a video camera if it was under \$2,500 but not a FAX machine, as these are covered by a contract. This is a Blanket Delegation of Authority (BDA-#1). Always check your own internal agency rules and procedures.
5. **Why should we bid out a job when my local vendor has what I need for a fair price?** The competitive bid process will establish the best price in the market at a given point in time. The bid process also provides a public record to support purchasing decisions.

6. **I found an item on contract for a lower price from a different vendor. Can I order it from this new vendor?** Contracts are intended as the prime source of supply for state agencies with a requirement for a contract item. If an agency has a requirement for an item on contract that the contractor cannot meet effectively or the agency wants to obtain the item from another source, they must contact the Purchasing Agent who is responsible for that contract. The Purchasing Agent will review the justification to purchase the item off-contract and approve or disapprove the request as appropriate.
7. **I called three vendors and got quotes for my requested product. Do I still have to do a requisition?** Discuss further with the appropriate Purchasing Agent.
8. **How do I get approval for a "Sole Source" purchase (i.e. no competitive bidding)?** A Sole Source purchase situation arises when only one vendor can supply an item, either because it is proprietary or they have an exclusive dealership. To get permission to make such a purchase, you must send a memo to P&CA fully justifying why this is the only possible item to meet your requirements. If the price is under \$10,000 the Purchasing Agent can make the decision. If it is over that amount, we will forward the request along with our recommendation to the Secretary of Administration.
9. **I bought something without going through Purchasing. The cost is greater than \$2,500. I have the invoice here. Now what?** Talk with the purchasing agent in charge of the commodity, explaining why the purchase was made outside established guidelines and explain what steps will be taken to prevent this happening again. The Purchasing Agent will ask you to follow up with an e-mail message. The agent may reply with an authorization number. The original message and the response should be printed and kept with the payment file.
10. **What are "political subdivisions"?** Political Subdivisions are city, town, and village governments, public schools and school districts, and other municipal entities established by the legislature. Whenever possible, P&CA tries to have vendors make the state contracts available to these groups.

- 11. Do we have to go with the lowest bidder?** There are a number of factors that are used in making an award. Product quality, delivery time, environmental impact, and vendor ability are a few of these criteria. The lowest bidder that meets all the requirements usually gets the award. Awards to other than the lowest bidder meeting all requirements must be well justified.
- 12. I haven't received my goods although a Purchase Order was issued several weeks ago. What do I do?** First make sure your business office has approved the order in the Vision System and sent to the vendor. Check the delivery stated on the purchase order. If appropriate, call the vendor. If that doesn't bring results contact the Purchasing Agent listed on the purchase order.
- 13. I didn't check my goods when they were delivered two months ago. Unpacking them I find they are damaged. Now what?** Contact the vendor and request they be replaced. If the issue cannot be resolved, contact the Purchasing Agent.
- 14. Why should I ask for recycled content in my product specifications?** The State of Vermont is dedicated to recycling and source reduction. Buying recycled reduces waste and preserves valuable resources. There are several statutes and Executive Orders covering the purchase of these products.

RECYCLED AND ENVIRONMENTALLY PREFERABLE PRODUCTS

The State of Vermont is a national leader in the development and application of environmentally responsible purchasing and control of hazardous material use. We have established specific goals and objectives aimed at: providing sound environmental stewardship, protecting human health, reducing state operating expenses associated with the use and control of regulated hazardous materials, and reducing potential liability attributable to environmental impact.

Title 29 Chapter 49 challenges the Purchasing and Contract Administration Division to consider recycled product content, minimizing the creation of solid waste, the generation of pollutants, and life cycle costs in its purchasing decisions. In addition, Governor's Executive Order 06-94 established the Vermont Clean State Council which developed a Materials Management Plan that requires consideration of a number of environmental factors when purchasing material or undertaking construction projects.

In April 2004, the Department of Buildings and General Services adopted the Comprehensive Environmental & Resource Management Program (**CERMP**). An overview of the program follows. The entire document is available on the Department of Buildings and General Services web-site at www.bgs.state.vt.us/news_and_links.

CERMP Executive Summary

The CERMP establishes, for the first time a single source within State government for identifying and advancing the environmental sustainability of state government operations. There are four (4) philosophical underpinnings for the CERMP.

- First, to reduce the environmental impact of state government daily operations.
- Second, to reduce the costs of operating state government through energy and programmatic savings.
- Third, to create new and sustain existing Vermont businesses that develop, produce, or market environmentally preferable products.
- Fourth, to demonstrate to other states and the private sector that fiscal responsibility does not have to be sacrificed for environmental stewardship.

State government, under the direction of the Department of Buildings and General Services, will focus sustainability efforts on three areas: Infrastructure Management, State Purchasing, and Transportation Management. Additionally, a revised and comprehensive state agency energy plan will be developed by June 2005, Executive Orders will be updated, and a revolving fund for energy improvements that have demonstrated paybacks will be created.

How does this affect Purchasing & Contract Administration

Materials Acquisition and Disposal

Among the goals we attempt to accomplish by buying “green”:

- **Solid Waste Reduction:** Reduce the amount of material going into the landfills, re-use resources, save the taxpayer money and preserve the environment.
- **Energy Efficiency:** Save money and resources by using less energy. This also reduces the pollution in the atmosphere which results from the generation of energy.
- **Pollution Prevention:** Keep the air and water free from harmful pollutants to protect the health and safety of our people.

1. General Commodities

- A. Effective October 2004, the Department shall review and update standard language for insertion into all Requests for Proposal issued on behalf of the State of Vermont to advance the use of environmentally preferable purchasing practices. As a result of this measure a checklist will be established for purchasing agents to use in applying significant criteria to each project (Reference Appendix).
- B. Effective June 2004, all state agencies shall be required to use EPP contracts established by the Department. Any state agency not complying with this requirement must have on file a waiver signed by the Commissioner of Buildings and General Services.
- C. Effective February 2005, where applicable, the Department shall ensure that Life Cycle Cost Analyses are completed on commodities prior to a contract award. A life cycle cost analysis looks at the entire cost of purchasing,

installing, operating, maintaining, and disposing of a particular piece of equipment or product such as a hot water heaters, tires, copiers, and fax machines.

- D. Effective April 2005, when the current contracts end, the next generation of custodial cleaning product contracts will be based on Green Seal Standards wherever possible. The Green Seal Standard has been adopted in agreement with various state and local governments for the purpose of establishing minimum criteria for use in drafting contract bids, and providing a common specification for manufacturers to meet or exceed.
- E. Effective April 2004, the department will flag all products on contracts that have been identified as having a significant environmental impact and shall review these products annually to determine if there are new alternatives. This review is to be done by the anniversary date of the contract in accordance with the latest EPA guidelines.
- F. On an ongoing basis the department shall work with departments, vendors, and the Clean State Council to develop specifications and locate new products that will lessen environmental impact and comply with the goals of the Materials Management Plan.
- G. On an ongoing basis, the department shall review all products purchased that have mercury content and seek reasonable alternatives with no or low levels of mercury. Where mercury-free alternative products do not exist, preference will be given to the purchase of products with the lowest (documented) total mercury content feasible and products that bear a mercury content warning label as required of product manufacturers under Vermont law. The State of Vermont urges suppliers to continue to develop, produce, and bring to market appropriate, cost competitive, and effective mercury-free replacements.
- H. Where practical, all energy-consuming equipment and devices purchased by Vermont state agencies shall meet or exceed the Energy Star standards established by the U.S. Government.
- I. State procurement officials shall continue to specify that wood and paper products shall be derived from sustainably managed forestlands, and that such products should be certified to acceptable standards by an independent third party. Effective January 2005, the Department shall have in place a contract for certified hardwood lumber.

- J. Effective April 2004, the Department shall develop a list of all products covered by contracts that can be categorized as EPP and shall promote the use of these green product contracts to political subdivisions and state agencies.

2. Paper:

- **Copier Paper:** The current specifications call for processed chlorine free and recycled content of at least 30% post consumer (EPA Guidelines). Current products on contract exceed this standard.
- **Printing and Writing Paper:** The current specification minimum calls for 30% post consumer recycled content for non-coated paper; 10% for coated paper. Every effort should be made to purchase chlorine free paper when suitable products are available.
- **Other Paper Products:** All agencies ordering non-printing paper products are to specify minimum post-consumer recycled contents as listed in US EPA updated Recycled Materials Advisory Notice (RMAN), available at the following web address: <http://www.epa.gov/epaoswer/non-hw/procure/pdf/paper-00.pdf>. The types of materials included in this category are: paper towels, bathroom tissue, facial tissues, corrugated containers and other paperboard and packaging products. Additionally, processed chlorine free products should be required where feasible.

Efficient Government Operation

In an effort to reduce paper flow, track usage, and observe compliance we are implementing the following:

- Effective June 2004, the current purchasing card program was expanded to allow purchase of items on contract.
- By December 2005 move towards mandating the use of the state purchasing card program across State government.

SPECIAL COMMODITY ORDERING INSTRUCTIONS

Chairs

The Purchasing and Contract Administration Division maintains contracts for ergonomic seating that provides a variety of swivel desk chairs. These chairs have been selected after a review process conducted by the Risk Management Division to ensure that the chairs purchased by the state have the proper ergonomic features. Contact P&CA and Risk Management for approval if the chairs on contract do not meet your needs.

Filing Equipment

V.S.A. Title 3, § 219 requires that prior approval by the Director of Public Records must be obtained before purchasing file cabinets, open files and shelving, vaults and safes, microfilm equipment, and electronic or mechanical files. Contact Mark Reaves, Public Records Information Specialist at 828-1005 for approval.

Fuel Card

The State currently has a contract with Wright Express to cover the purchase of fuel and vehicle maintenance services at commercial sites for state owned vehicles. Contact your business manager or Helessa Anderson at 828-2216 if you would like more information about this program.

Fuel and Fuel Oil

All fuel purchased (kerosene, fuel oil, diesel, LP gas and gasoline) by the state is done under contracts (with the exception of items covered by the fuel card). A list of these contract vendors and locations covered can be found at www.bgs.state.vt.us/fuel/.

Printing

By statute, all state printing jobs whose value exceeds \$2,500 must be handled by P&CA. These jobs are most commonly requested through the VISION system as purchase requisitions. Authorized requisitions are routed to a purchasing agent, who conducts the appropriate competitive process to develop a purchase order or contract.

BDA-74

In order to expedite the process for printing projects for state agencies that can be done by the Vermont Correctional Industries Print Shop or the Central Services Copy Center, this BDA (Blanket Delegation of Authority) is being granted to all state agencies.

- Printing projects with a cost up to \$3,000 may be obtained directly from the Central Services Print Shop (828-2830) or Vermont Correctional Industries (241-1472). Prior approval of the Division is not required.
- Please show the number (BDA-74) on the payment voucher when processing invoices for the material.
- This delegation applies only to printing projects that can be done by these state-operated shops.
- NOTE: Agencies are reminded that all actions taken under this BDA must comply with the provisions of Administrative Bulletin No. 3.5, "Contracting Procedures".

Requisitions for Printing

When submitting a requisition for a printing job it is very important to include as much information as possible about your printing requirements. This will give the potential bidders the exact specifications they need to provide a good quote. The clearer and more detailed our specifications are, the more competitive the bids. Please try to include information about all of the following topics. If you have any questions call Ken Feld at 828-4658.

- **TITLE OF PRINT JOB:** Every job should have a title, i.e.: "TA-160 Operator Inspection Report".
- **TRIM SIZE/FINISHED SIZE:** What is the size (dimensions) of the document in inches? If it is folded; what is the final, folded size?
- **NUMBER OF PAGES:** If the cover is on a different paper stock than text, do not include in page count; i.e. "48 pages plus cover").
- **INKS/COVERS:** Number of colors per side (black is a color). Full bleeds (Does the ink go all the way to the edge of the sheet)? Covers usually have four parts: Cover I (front cover), Cover II (inside front), Cover III (inside back), and Cover IV (back cover).

- **INKS/TEXT:** Number of colors per side. Bleeds? A typical specification would read: 2 colors/ 2 sides (or 2/2).
- **STOCK/COVER AND TEXT:** What type of paper should the job be printed on? Please include basis weight, type, color, and brand name (if available) of paper. Per the Governor's Executive Order 06-94, all stock should be recycled with a specific minimum of post consumer content. Example: "50 lb. Offset white Halopaque recycled 20% post consumer content."
- **MECHANICAL:** How will information be supplied? Camera ready, film-supplied, or disk-supplied are some common methods. If photos are included are they halftones (black and white) or color? If color, who is to produce the separations (film)? List the type and number of each in your publication, as well as their sizes.
- **FINISHING:** Folding for mailing or scoring for easy folding are some types of finishing. Perforation is another type of finishing.
- **BINDING:** How will the job be put together? Saddle stitched (stapled) or perfect bound (glued along the spine) are two examples.
- **PROOFS:** This is essential. Who should get the proofs? Someone needs to check the job before it goes on press. What kind of proof do you need? Blueline or dylux is the most common type.
- **PACKAGING:** How should the material be packaged? One way is in cartons clearly marked as to contents.
- **DELIVERY:** If there is no loading dock available at your site you should indicate inside delivery. Advance notice? Special times? Other delivery locations?
- **PRODUCTION CONTACT:** Who will be the contact for printer? This is usually the same person who gets proofs. What is the telephone number of this person?
- **SAMPLES/SKETCHES/DUMMIES (MOCK-UPS):** Please provide ten copies of your job and send to the division to be included in the bid package.
- **DELIVERY DATE:** When do you need this document or form delivered? Indicate any special dates you absolutely must have this job completed and delivered. Be aware that any delays in delivering mechanical or art work to vendor, delays in returning proofs, or any significant changes to the document after the original art is submitted will result in extra charges and extra time to complete your job.

INFORMATION TECHNOLOGY

Prior to purchasing any Information Technology (I.T.) hardware, software, or services not covered by an existing contract and costing more than \$10,000 approval must be obtained from the Department of Information & Innovation (DII). **NOTE:** IT is defined as anything that requires a connection to a computer and/or IT personnel to be responsible for any part of the goods and services.

- Purchases of hardware and software costing between \$2,500 and \$10,000 must be made by Purchasing and Contract Administration through a requisition on the VISION system.
- For IT hardware, software, or services costing more than \$10,000 Purchasing and Contract Administration will take no action until it has received notification of approval from the CIO.
- Purchasing and Contract Administration is responsible for the posting of all IT Requests for Proposal (RFP), Requests for Information (RFI) and Requests for Quote (RFQ) regardless of type and cost.

HARDWARE & PACKGED SOFTWARE:

A request for approval must be made to DII's Senior Project Management Officer.

- If it is a routine "bid and buy" requiring a simple RFQ, approval must be obtained from the Chief Information Officer (CIO) and then a purchase requisition can be entered into the VISION system and Purchasing and Contract Administration will conduct the bidding process.
- If a more detailed RFQ is required, then the CIO or designee will work with the department in developing the document. Once the request is approved by the CIO it should be sent to Purchasing for posting along with a purchase requisition from the VISION system.

CUSTOM SOFTWARE & SERVICES: Whenever a department is considering the purchase of custom software or IT services, DII's Senior Project Management Officer should be contacted so that he/she can work from the beginning in developing the RFP documents with the requesting department. Once the documents are finalized and approved by the CIO, they should be sent to Purchasing and Contract Administration for bid administration.

Lastly, any contract arising from the RFP must have the CIO's approval prior to execution.

By statute, any I.T. project of \$150,000 or greater must have a cost benefit analysis. Any I.T. project of \$500,000 or greater is subject to an independent review.

CLASSIFIED ADVERTISEMENTS

A contract has been established with the Burlington Free Press for Employment Classified Display Advertisements to allow a savings of approximately 50%.

Employment advertisements can be placed either through the Department of Personnel (contact your Personnel Officer or Doug Pine at Human Resources, 241-4381) to be included in a group display advertisement, or they can be placed directly with the Burlington Free Press. The group display advertisement is the most economical solution.

FLEET MANAGEMENT SERVICES

All state vehicles are obtained through Fleet Management Services, which uses state contracts and issues Requests for Proposal in coordination with the Purchasing and Contract Administration Division.

Passenger vehicles and light duty trucks can be rented by any state agency through Fleet Management Services. Departments with frequent, predictable travel needs can lease vehicles on a long-term (6 months – 1 year) basis for their exclusive use. In the central Vermont area, a pool of vehicles is available for daily rental by departments with occasional travel needs. For long-term leases, priority will be given to departments that anticipate usage of 18,000 miles per year and/or 4 days per week.

All other vehicles will be bid as needed by Purchasing and Contract Administration. Requisitions must be submitted for the one-time purchase of these vehicles.

All vehicles will be received by Fleet Management Services and added to the state's inventory prior to registration and delivery to the requesting department. All passenger vehicles will be owned, registered by, and plated to the Department of Buildings and General Services. All special design vehicles will be owned, registered by, and plated to the requesting department. Please Note: that the first lien holder on all vehicles must read BGS, 1078 US Route 2, Middlesex, Vermont.

Disposal of vehicles is the responsibility of the Department of Buildings and General Services, State Surplus Property Division. This is normally done through the state auctions that are held annually in the spring and fall.

Reference the Agency of Administration Bulletin 2.3 and Fleet Management Services Policies and Procedures for additional guidance.

PAYMENT PROCESSING/PURCHASING APPROVAL

Whenever a department processes a payment voucher for an invoice greater than \$2,500 that does not show a purchase order, contract, or BDA number, they are responsible for obtaining prior approval from the appropriate purchasing agent prior to submission of the payment voucher to Finance.

Departments are responsible for maintaining documentation of P&CA approvals in their files. Departments may request approval by E-mail to the appropriate purchasing agent explaining why the purchase was made outside established guidelines. A copy of the purchasing agent's Email approval should be part of the department's files. Once the Agent has approved the purchase, the voucher may be processed for payment.

MULTI-STATE CONTRACTS

The State of Vermont has participated in various cooperative-purchasing ventures with other states for over 20 years. This approach to contracting is viable when two or more states have common requirements for commodities. A lead state is chosen and is responsible for assembling the requirements and making the award(s) in consultation with the others. Each state issues its own contract based upon the accepted results.

Vermont benefits substantially in being a participant in multi-state contract bidding. Lower pricing derived from much greater combined quantities is the prime motivation. Another advantage would be the greater influence over vendors to produce products that will meet special requirements such as recycled content.

Our state currently takes part in several multi-state contracts. The largest is a drug contract that involves 40+ states from across the country. We also have a computer software contract that includes states throughout New England and one for computers that involves 20 states around the country. Other ongoing multi-state contracts that have been going for several years include glass beads, traffic paint, and traffic cones.

The Purchasing and Contract Administration Division encourages agencies to make suggestions for other cooperative contracts. Any products your agency uses in common with other states should be considered, especially when it appears that there are no differences in specifications. Ideas for these contracts should be discussed with associates from other states and the appropriate purchasing agent.

POLITICAL SUBDIVISIONS AND INDEPENDENT COLLEGES

Title 29, Chapter 49 authorizes the Purchasing and Contract Administration Division to work with political subdivisions (cities, towns, schools, and municipalities) and independent colleges in the state. We regularly provide the following services:

Contracts

The Division maintains a list of state contracts that are also available for use by political subdivisions and independent colleges. Contractors on this list have agreed to provide items to political subdivisions and independent colleges under the same terms as their state contract. A current list of these contracts is available on the Internet at www.bgs.state.vt.us/pca/.

Resources

The Division provides assistance to political subdivisions and independent colleges in developing specifications and bid proposals. Often the best assistance we can provide is information that they can use to perform their own bid process.

Bidding

The Division can bid specific requirements for a political subdivision or an independent college. Usually this is done in conjunction with a bid for similar items for state agencies.

PURCHASING ADVISORY COUNCIL

Getting effective feedback from its state agency customers is very important to the success of the Purchasing and Contract Administration Division. One of the resources that the Division uses to get feedback is the Purchasing Advisory Council (PAC).

The PAC was established in 1993 and is comprised of representatives from each major state agency and several independent departments. The Council meets a minimum of four times each year, giving agencies the opportunity to provide input on the procurement process, review proposed changes, and receive information on new contracts and developments.

Membership on the PAC is open to all state agencies. If you are interested in becoming a member of the Council please contact the Chief of Purchasing and Contract Administration.

CUSTOMER SATISFACTION SURVEY

Good communication between the Division and state agencies is essential for the process to succeed. Please tell us what is working, what isn't working, and give us your suggestions how to do it better.

Customer Satisfaction Survey: To help us understand how we can better serve you, we are interested in receiving your comments regarding the quality of service you received in your most recent interaction with the Department of Buildings & General Services (BGS). Please complete the on-line Customer Comment Form at:

http://www.bgs.state.vt.us/forms/bgs_surveys/index.php?type=customer&action=customer

COMMODITIES AND ASSIGNED PURCHASING AGENTS

COMMODITY	PURCHASING AGENT
Advertising	Ken Feld
Air conditioners	Judy Jamieson
Air compressors accessories & parts	Judy Jamieson
Aircraft—equipment, parts & supplies	Ken Feld
Appliances & equipment—household	Debbie LaRose
Art Equipment & Supplies	Debbie LaRose
Audio/visual equipment	Celeste Hollis
Automotive	Steve Smith
Badges, patches & insignias	Debbie LaRose
Barrels, drums, etc.	Celeste Hollis
Barber & beauty equipment & supplies	Debbie LaRose
Batteries	Ken Feld
Beds & bedding	Debbie LaRose
Boats, motors & marine supplies	Ken Feld
Books & publications	Ken Feld
Building materials, Locks & Lock Hardware	Steve Rixford
Buildings—fabricated	Steve Rixford
Bulk chemicals	Nick Glouchevitch
Calcium Chloride	Judy Jamieson
Clothing & footwear	Debbie LaRose
Computer hardware & software	Nick Glouchevitch
Construction services, labor & materials	Steve Rixford
Communications equipment & accessories	Nick Glouchevitch
Culverts & concrete products	Steve Rixford
Custodial supplies	Judy Jamieson
Cutlery, Dishes, Flatware & Glassware	Debbie LaRose
Dental equipment & supplies	Debbie LaRose
Disposable paper & plastic products	Ken Feld
Drugs & pharmaceuticals	Debbie LaRose
Dietary supplements	Debbie LaRose

Electrical equipment & supplies
Embossing & engraving
Engineering & surveying equipment
Fasteners
Fax Machines

Judy Jamieson
Ken Feld
Celeste Hollis
Steve Smith
Ken Feld

Fencing
Fire and Safety Equipment & Supplies
First aid equipment & supplies
Fish food
Flags, flagpoles, banners & accessories

Steve Rixford
Steve Smith
Debbie LaRose
Nick Glouchevitch
Celeste Hollis

Food
Food processing & canning equipment
Forests & Parks recreation equipment
Foundry castings, equipment & supplies

Debbie LaRose
Debbie LaRose
Ken Feld
Steve Rixford

Furniture

Nick Glouchevitch

Fuel
Gases—hospital, laboratory & welding
Glass beads
Glass & glazing supplies
Hand & Power Tools

Betsy Laraway
Nick Glouchevitch
Judy Jamieson
Debbie LaRose
Steve Smith

Highway buildings materials
Highway equipment
Hospital & surgical equipment & supplies
Imprinted specialty items & decals
Interior coverings—floors, window treatments

Steve Rixford
Steve Smith
Debbie LaRose
Debbie LaRose
Nick Glouchevitch

Kitchen & cafeteria equipment
Laboratory & field equipment & supplies
Laundry & dry cleaning equipment & supplies

Debbie LaRose
Nick Glouchevitch
Debbie LaRose

Lawn & garden equipment materials

Celeste Hollis/Steve Smith

License plates & other vehicle ID

Ken Feld

Lumber & related products
Mailing Machines
Markers & signs & traffic control devices
Markers & signs, non-traffic

Steve Rixford
Nick Glouchevitch
Judy Jamieson
Ken Feld

Metals—bars, sheets, rods, etc.

Judy Jamieson

Microfiche, microfilm equipment & supplies	Ken Feld
Office machines/accessories	Ken Feld
Office supplies	Ken Feld
Optical equipment & supplies	Debbie LaRose
Pads & Booms	Debbie LaRose
Paint	Judy Jamieson
Paper— envelopes & forms	Ken Feld
Paper towels & Tissues	Ken Feld
Photographic equipment & supplies	Steve Smith
Plastics & related equipment	Judy Jamieson
Plows, bodies and spreaders	Steve Smith
Plow blades & shoes	Steve Smith
Plow Trucks ad other large vehicles	Steve Smith
Plumbing—equipment, fixtures & supplies	Judy Jamieson
Police equipment and supplies	Steve Smith
Printing & silk screening	Ken Feld
Printing plant equipment & supplies	Ken Feld
Prostheses equipment	Debbie LaRose
Pumps & pump accessories	Judy Jamieson
Purchasing Card	Debbie Damore
Rags, shop towels, wiping cloths and mats	Ken Feld
Reflective Sheeting	Ken Feld
Ribbons & cartridges—all types	Ken Feld
Road salt	Judy Jamieson
Scales & weighing apparatus (except highway)	Debbie LaRose
Scientific instruments	Nick Glouchevitch
Services	Debbie Damore
Sporting & athletic goods	Ken Feld
Steam & hot water specialties & supplies	Judy Jamieson
Steam Boilers—heating & ventilation	Judy Jamieson
Tanks—metal, wood & synthetic	Steve Rixford
Telecommunications	Nick Glouchevitch
Television/video equipment & accessories	Celeste Hollis
Textiles—linens & piece goods	Debbie LaRose
Visual/auditory aids	Debbie LaRose

Water supply & sewage treatment equipment
Welding equipment & supplies

Judy Jamieson
Steve Smith

PURCHASING AGENTS AND COMMODITY ASSIGNMENTS

ROBIN L. ORR, Director of Internal Services (802) 828-2211

DEBBIE DAMORE, Chief of Purchasing & Contract Administration (802) 828-5784

PURCHASE CARD	SERVICES
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KEN FELD, Purchasing Agent (802) 828-4658

ADVERTISING	AIRCRAFT, EQUIPMENT, PARTS & SUPPLIES	BOATS, MOTORS & MARINE SUPPLIES
<u>BOOKS & PUBLICATIONS</u>	EMBOSSING & ENGRAVING	FOREST, PARK & RECREATION EQUIPMENT
LICENSE PLATES & OTHER VEHICLE ID	MARKERS & SIGNS - NON TRAFFIC	MICROFICHE, MICROFILM, EQUIPMENT/SUPPLIES
<u>OFFICE MACHINES & ACCESSORIES</u>	OFFICE SUPPLIES	<u>PAPER, ENVELOPES & FORMS</u>
<u>PAPER TOWELS AND TISSUES</u>	<u>PAPER & PLASTIC PRODUCTS - DISPOSABLE</u>	PRINTING PLANT EQUIPMENT & SUPPLIES
PRINTING & SILK SCREENING	RAGS, SHOP TOWELS, WIPING CLOTHS & MATS	REFLECTIVE SHEETING
<u>RIBBONS & CARTRIDGES ALL TYPES</u>	SPORTING & ATHLETIC GOODS	<u>FAX MACHINES</u>
BATTERIES		

NICK GLOUCHEVITCH, Purchasing Agent (802) 828-2210

BULK CHEMICALS	<u>COMPUTER HARDWARE AND SOFTWARE</u>	FISH FOOD
<u>FURNITURE</u>	<u>LABORATORY & FIELD EQUIPMENT.</u>	<u>MAILING MACHINES</u>
SCIENTIFIC INSTRUMENTS	TELECOMMUNICATIONS	<u>COMMUNICATIONS EQUIPMENT & ACCESSORIES</u>
<u>GASES: HOSPITAL, LABORATORY & WELDING</u>	<u>INTERIOR COVERINGS: FLOORING, CARPET WINDOW TREATMENTS</u>	

CELESTE HOLLIS, Assistant Purchasing Agent (802) 828-5685

<u>AUDIO/VISUAL EQUIPMENT</u>	BARRELS, DRUMS, ETC	ENGINEERING & SURVEY EQUIPMENT
<u>LAWN & GROUNDS EQUIPMENT AND MATERIALS</u>	<u>FLAGS, FLAG POLES, BANNERS & ACCESSORIES</u>	TELEVISION/VIDEO EQUIPMENT & ACCESSORIES
<u>PHOTOGRAPHIC EQUIPMENT & SUPPLIES</u>		

JUDY JAMIESON, Purchasing Agent (802) 828-2217

AIR CONDITIONERS	AIR COMPRESSORS, ACCESSORIES & PARTS	<u>CALCIUM CHLORIDE</u>
<u>CUSTODIAL SUPPLIES</u>	<u>ELECTRICAL EQUIPMENT & SUPPLIES</u>	<u>GLASS BEADS</u>
<u>MARKERS, SIGNS & TRAFFIC CONTROL DEVICES</u>	MATERIAL HANDLING EQUIPMENT	METALS: BARS, SHEETS, RODS, ETC.
<u>PAINT</u>	PLASTICS & RELATED EQUIPMENT	PLUMBING EQUIPMENT, FIXTURES & SUPPLIES

PUMPS & PUMP ACCESSORIES	ROAD SALT	STEAM & HOT WATER SPECIALTIES & SUPPLIES
STEAM BOILERS, HEATING & VENTILATING	WATER SUPPLY & SEWAGE TREATMENT EQUIPMENT	

[BETSY LARAWAY](#), Assistant Purchasing Agent (802) 828-5684

FUEL

[DEBBIE LaROSE](#), Purchasing Agent (802) 828-4635

HOUSEHOLD APPLIANCES & EQUIPMENT	ART EQUIPMENT & SUPPLIES	BADGES, PATCHES & INSIGNIAS
BARBER & BEAUTY EQUIPMENT & SUPPLIES	BEDS & BEDDING	CLOTHING & FOOTWEAR
CUTLERY, DISHES, FLATWARE, GLASSWARE	DENTAL EQUIPMENT & SUPPLIES	DRUGS & PHARMACEUTICALS
DIETARY SUPPLEMENTS	FIRST AID EQUIPMENT AND SUPPLIES	FOOD
FOOD PROCESSING & CANNING EQUIPMENT	GLASS & GLAZING SUPPLIES	HOSPITAL & SURGICAL EQUIPMENT
IMPRINTED SPECIALTY ITEMS & DECALS	KITCHEN & CAFETERIA EQUIPMENT	LAUNDRY & DRY CLEANING EQUIPMENT AND SUPPLIES
OPTICAL EQUIPMENT & SUPPLIES	OIL ABSORBING PADS & BOOMS	PROSTHESES EQUIPMENT
SCALES & WEIGHING APPARATUS (EXCEPT HWY)	TEXTILES, LINENS & PIECE GOODS	VISUAL/AUDITORY AIDS

STEVE RIXFORD, Senior Purchasing Agent (802) 828-2215

BUILDING MATERIALS, LOCKS & LOCK HARDWARE	BUILDINGS, FABRICATED	CONSTRUCTION SERVICES, LABOR & MATERIALS
<u>CULVERTS & CONCRETE PRODUCTS</u>	FENCING	FOUNDRY CASTINGS, EQUIPMENT & SUPPLIES
<u>HIGHWAY BUILDINGS MATERIALS</u>	TANKS (METAL, WOOD & SYNTHETIC MATERIALS)	LUMBER & RELATED PRODUCTS

STEVE SMITH, Purchasing Agent (802) 828-4681

<u>AUTOMOTIVE</u>	<u>POLICE EQUIPMENT & SUPPLIES</u>	<u>WELDING EQUIPMENT & SUPPLIES</u>
<u>FASTENERS</u>	<u>FIRE AND SAFETY EQUIPMENT AND SUPPLIES</u>	<u>LAWN & GROUNDS EQUIPMENT AND MATERIALS</u>
HAND & POWER TOOLS	HEAVY HARDWARE	<u>HIGHWAY EQUIPMENT</u>
<u>PLOW BLADES & SHOES</u>	<u>PLOW TRUCKS AND OTHER LARGE VEHICLES</u>	<u>PLOWS, BODIES & SPREADERS</u>

ADMINISTRATIVE UNIT - MIDDLESEX

DEBBIE BRINK - (802) 828-2211
PATRICIA RUSSELL - (802) 828-4678

ADMINISTRATIVE UNIT - MONTPELIER

CELESTE HOLLIS - (802) 828-5685
BETSY LARAWAY - (802) 828-5684

BLANKET DELEGATIONS OF AUTHORITY

Blanket Delegations of Authority (BDA) are used to delegate authority to state agencies to directly purchase specific types and classes of items when the best interests of the state are served.

Agencies may request a BDA for a specific commodity area or project from the purchasing agent managing that area. Purchasing Agents may also initiate a BDA for items in their assigned commodity area. Requests for BDAs will be reviewed and issued, or alternative solutions provided, within 30 days.

1. Purchasing Agents are responsible for drafting BDAs for signature.
2. The Commissioner of Buildings and General Services or designee will sign all BDAs.
3. BDAs are sequentially numbered from the master list.
4. Purchasing and Contract Administration will review all delegations on December 31st of every year.

2005 List

Complete list of all BDA's can be found on our web site.

BDA#	AGENCY	ITEMS
<u>1</u>	All agencies	Direct purchases
<u>5</u>	Aging & Disabilities; Mental Health; Health Department	Wheelchairs
<u>6</u>	All agencies	Special films, video, tapes & slides Pamphlets, booklets posters, maps, textbooks, workbooks & training manuals.
<u>8</u>	Department Of Libraries	Legal continuations
<u>9</u>	SRS- Vocational Rehabilitation; Health Department; Division Of Blind & Hearing Impaired	Eyeglasses, dental work & prosthetic devices
<u>11</u>	Woodside Juvenile Detention Center; Vermont State Hospital; Department Of Corrections; Vermont Veterans Home	Fruits/Vegetables

<u>14</u>	Agency Of Natural Resources	Aggregates & site work
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<u>15</u>	Agency Of Transportation; Military Department; Vermont Veterans Memorial Cemetery	Road Aggregates, winter sand, bank run gravel
<u>19</u>	Agency Of Natural Resources	Equipment items
<u>22</u>	Agency Of Natural Resources; Agency Of Transportation	Firewood
<u>28</u>	Vermont Life Magazine	Publications
<u>36</u>	Commerce & Community Development	Gift shop items
<u>38</u>	Office Of Court Administrator	Judicial robes and garment bags
<u>42</u>	Caledonia Community Work Camp; Department Of Corrections	Log length firewood
<u>43</u>	Aging And Disabilities	Hand controls for
<u>51</u>	Woodside Juvenile Detention Center; Vermont State Hospital; Vermont Veterans home Department Of Correctional	Candy, soda & soft drinks and proper machines and dispensers
<u>58</u>	Office Of Court Administrator	Law Books
<u>59</u>	Health Department	Vaccines & toxoids
<u>62</u>	Vermont Lifer Magazine	Printing materials
<u>64</u>	Agency Of Transportation	Specialized/single Source software
<u>65</u>	Division For The Blind & Visually Impaired	Adaptive equipment
<u>69</u>	Agency Of Natural Resources; Department Of Environmental Conservation	Items form Supelco
<u>70</u>	Department Of Corrections	New and used furniture, appliances, miscellaneous items to furnish apartments
<u>74</u>	All agencies	Printing projects
<u>77</u>	Aging And Disabilities	Farm equipment
<u>82</u>	Department Of Health	Adaptive equipment
<u>84</u>	Aging and Disabilities; Division Of Blind & Visually	Hardware & software

	Impaired; Vocational Rehabilitation	
<u>86</u>	Military Department	Airport firefighter uniforms
<u>87</u>	Vermont Life Magazine	High resolution digital scanning, images manipulation, prepress, electronic file output, stripping and composite film, image assembly, image archiving, output for four color film, electronic files, CD ROM storage, color proofing, both digital and film based, creation of encapsulated post script (ips)files
<u>88</u>	Health Department	Prescription medicine
<u>89</u>	Health Department	Condoms, lubricants dental dams and female condoms
<u>91</u>	Forest, Parks And Recreation	Wildland firefighting tools from General Services Administration Kansas city region PO box 70679 Chicago ILL 60673
<u>93</u>	Health Department	Health surveillance for medial and reagents
<u>94</u>	Agency Of Transportation	Central garage to purchase rebuilt parts from major component to repair plow trucks
<u>95</u>	Department Of Public Safety	Negotiate and purchase services for auto body work on fleet
<u>96</u>	PATH	Log length firewood from Whitehill Firewood & logging
<u>98</u>	Department Of Health	Nutritional Products
<u>99</u>	Agencies participating in the marketing and promotional services group	Printing materials from MAP
100	Department of Public Safety	Repair Services on vehicles owned and operated by the Dept. of Public Safety

GENERAL SERVICES CENTER

Print Shop

Web site: www.bgs.state.vt.us/gsc/print

Telephone: (802) 828-2830

The Print Shop provides state agencies with a wide range of in-house printing services. Remember to request a special quote on large volume jobs for even better pricing.

Examples of services available:

- Full-color printing, poster design and lamination to foam-core board
- Collating, spiral binding, punching, folding and other finishing services
- On-Demand forms printing to avoid costs related to forms storage and disposal of out-dated forms
- Electronic transfer of masters to speed processing and improve quality
- Coordination of large mailings at one location with document and address merge functions
- Conversion of print job to PDF format to meet your web posting requirements

Turn-time:

- Standard turn-time for print jobs is three working days or less
- Turn-time on large jobs can be coordinated to meet your needs
- RUSH jobs can often be done while you wait and same day or next day delivery arrangements can be made

To facilitate electronic transfer of print jobs, have your IT staff load print drivers directly onto your PC. This makes sending your job to the Print Shop as simple as choosing a printer. Print drivers and instructions can be found at <http://159.105.19.10/drivers/>. Although print jobs can also be sent electronically as e-mail attachments, an electronic transfer is faster, easier and avoids potential for exceeding mailbox limits.

The following items are available through the Print Shop and can be ordered by submitting a Print Shop Requisition or by calling the Print Shop Purchasing Clerk at (802) 828-3718.

- Purchasing Card Envelopes
- Inter/Intra Office - PINK
- Leave Slips
- Telephone Message Pads
- Waste Toner Boxes, staples and toner (for copiers leased through the Print Shop only)
- Print Shop Requisitions

The Print Shop has been responsible for the legislative printing for the past eight years, meeting their quality and time frame requirements. During the legislative session, a 3rd shift attends to the special printing, finishing, sorting, labeling and distribution needs related to this service.

The Print Shop manages 400 copiers statewide through the Convenience Copier Lease Program.

Postal Center

Web site: www.bgs.state.vt.us/gsc/postal

Telephone: (802) 828-2203

State agencies save more than \$160,000 annually as a result of the Postal Center bar-coding eligible out-going mail. All mail and parcels processed through the Middlesex facility are screened through a security x-ray scanner to identify any explosives or other potentially dangerous items.

Early morning Federal and inter/intra office (PINK) mail pickups and deliveries are made each workday to the Montpelier and Waterbury complexes. Same day delivery of all incoming Federal mail with delivery addresses that include a valid zip+4 is guaranteed. Making sure your customers, clients and vendors have accurate address information facilitate speed and accuracy processing your incoming mail. Customers can bring mail to designated pickup points for an additional afternoon pickup of out-going Federal mail.

Certified, Return Receipt, Business Reply and other special handling mail services are also available. Most agencies realize cost savings on UPS packages handled through the Postal Center, as this avoids cost pickup fees charged by UPS.

The Postal Center schedules quarterly truck runs to statewide district offices for pickup and delivery of equipment, supplies and records. Forms to request these special

services can be found at their website and with a quick call or e-mail to the Postal Center they will include you on the notify list for these quarterly runs.

PUBLIC RECORDS

Web site: www.bgs.state.vt.us/gsc/pubrec

Telephone: (802) 828-1005

Public Records provides state and local government with the advice and assistance needed to efficiently manage the records they produce. Assistance in management of municipal records storage, handling and destructions is also provided through periodic visits to town offices and various trainings.

Records Center

Web site: <http://www.bgs.state.vt.us/gsc/pubrec/recctr>

Telephone: (802) 828-3280

The Records Center warehouse is designed to meet the state's storage needs for inactive records. Utilizing high-density shelving, man-up lifts and an automated records management program allows the center to offer economical, safe and secure storage of inactive records, while providing for ease of retrieval. Records having permanent value are stored in a climate-controlled vault, protected by a state-of-the-art fire suppression system. On-site shredding and recycling services are also available for records that have met their prescribed retention period.

Reference/Research

Web site: <http://www.bgs.state.vt.us/gsc/pubrec/referen>

Telephone: (802) 828-3287

The Reference/Research area houses reference microfilm, microfiche and CDs to meet the long-term storage and access needs of state agencies. Vital records, land records, naturalization and probate records; as well as other genealogical records are also available. Paper copies of these records can be printed and certified as needed. General public requests for vital records can be made on-line, via web link to VitalChek on there website.

Microfilm

Web site: <http://www.bgs.state.vt.us/gsc/pubrec/micro>

Telephone: (802) 828-3290

Services offered by the Microfilm/Imaging program range from simply converting large volumes of records requiring long-term retention to space saving microfilm, to filming large blueprints or plans on high-resolution planetary cameras. The in-house darkroom provides for processing and duplicating needs related to microfilming operations. In addition, the Imaging area offers production scanning of up to ledger

size (11"x17") documents, large format scanning of up to 40" wide (any length) and COLD (Computer Output to Laser Disk) processing for electronic files (which can be sent via FTP). Common format options available include TIF and PDF.

Scanned documents are readily accessible from your PC (with a CD drive) as a search engine included on each CD. Microfilm and scanned records are both recognized as legal documents per V.S.A Title 22 Section 453.12.

SURPLUS PROPERTY

Federal Surplus

Web site: <http://www.bgs.state.vt.us/gsc/surplus/federal>

Telephone: (802) 828-3394

Office furnishings and other equipment are donated to Surplus Property from the Federal Surplus program and the Department of Defense. They are made available to state agencies, municipalities and eligible non-profits through their warehouse located at 52 Packard Road in East Montpelier. Items that are typically available include: desks, chairs, filing cabinets, storage cabinets, computer tables and bookcases. Special vehicles (trucks, graders, tankers, loaders etc.), generators, etc. also periodically become available. If you have a specific need, contact them and they can try to locate items for you.

State Surplus

Web site: <http://www.bgs.state.vt.us/gsc/surplus/state>

Telephone: (802) 828-3394

The State Surplus Property program was established to assist state agencies in the disposal of property that is no longer of use to the respective agencies or departments. Property may be sold through requests for bid, public auction, on-line auction or through the distribution center located at 52 Packard Road in East Montpelier. There are no special eligibility requirements for the purchase of state surplus property; it is available for sale to the general public, as well as state agencies and non-profits.

As available, vehicles and heavy equipment (including boats, trailers, snow machines, etc.) are scheduled for auction. Auctions are held bi-annually, the first Saturday in June and last Saturday in September. Contact them to place state vehicles or other large equipment item in the auction.

This program is continually on the look out for opportunities to recycle or reuse surplus items in some manner. PCs that are outdated for state purposes may be sent to third world countries for educational use. Additionally they take full advantage of electronic reuse facilities, metal recyclers, etc.

APPENDICES

- I. EPP Practices Checklist
- II. Recycled and Environmentally Preferable Products Definitions
- III. Title 29 V.S.A. Section 903
- IV. Blanket Delegation of Authority # 1 (BDA#1)
- V. Agency of Administration Bulletin No. 3.5

EPP Practices Checklist

Environmentally Preferable Purchasing means “products and services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw material acquisition, production, manufacturing, packaging, distribution, re-use, operation, maintenance, or disposal of the product or service” (Presidential Executive Order 13101; US EPA; generally accepted by industry).

We have established specific goals and objectives aimed at: providing sound environmental stewardship, protecting human health, reducing state operating expenses associated with the use and control of regulated hazardous materials, and reducing potential liability attributable to environmental impact. Therefore, the following environmental criteria shall be considered for all state purchasing and contracts.

1. **Mercury Content:** The State of Vermont is committed to minimizing the amount of mercury utilized in its operations, and desires to eliminate the purchase of products that contain mercury whenever feasible alternatives exist at a reasonable cost and comparable performance. Where mercury-free alternative products do not exist, preference will be given to the purchase of products with the lowest (documented) total mercury content feasible and products that bear a mercury content warning label as required of product manufacturers under Vermont law, Executive Order #03-02. The State of Vermont urges suppliers to continue to develop, produce, and bring to market appropriate, cost competitive, and effective mercury-free replacements.
2. **Paper Recycling Content:**
 - **Copier Paper:** The specification shall be for processed chlorine free, and recycled content of a minimum of 30% post-consumer content, meeting the EPA guideline.
 - **Printing and Writing Paper:** The specification minimum shall be 30% post consumer for non-coated, and 10% for coated paper. Preference for chlorine free shall be given when suitable choices are available.
 - **Chlorine Free Paper/Alternate Bid:** The state desires to reduce the use of chlorine in the products it purchases to protect the environment from pollution (Executive Order 06-94). PCF paper is Processed Chlorine Free, i.e. recycled paper in which the recycled content is processed unbleached or bleached

without chlorine or chlorine derivatives. Any virgin material portion of the paper must be TCF (Totally Chlorine Free).

3. **Sustainable Products:** Vendors are encouraged to provide alternate quotations on wood or paper products that are derived from sustainably managed forestlands. Such products must be independently third-party certified to acceptable standards. Sustainable-managed forest lands shall be defined as those lands enrolled and licensed under one of the following: Sustainable Forestry Initiative Program, the American Tree Farm System, the Canadian Standards Association's Sustainable Forest Management System Standards, the Finnish Standard, Forest Stewardship Council, Pan-European Forest Certification, Swedish Standard, the United Kingdom Woodland Assurance Scheme or other such credible programs as they are developed and implemented. Vendors must provide satisfactory documentation of certification with their bid.
4. **Life Cycle Cost Evaluation:** Life cycle cost analysis shall extend beyond the cost of purchasing, to include installing, operating, maintaining, durability and disposing of a particular piece of equipment or product.
5. **Take Back Provisions:** It may be preferable to have product or equipment returned to the provider at the end of its useful life to provide for environmentally conscientious disposal. If you have a take-back program please provide details that include methodology and any costs associated with it. Detail the program by addressing each of the following: date the program is or will be in operation, type of equipment being taken back or proposed to be taken back, volume of equipment being recycled/disposed or proposed, certificates of disposal, disk storage cleaning, take-back charge by type of equipment, and compliance with federal or other regulatory authorities regarding disposal. The State of Vermont reserves the right to request additional information.
6. **Energy Efficiency (Energy Star):** State of Vermont Agencies and Departments are directed to reduce greenhouse gas emissions from state government buildings and operations (Executive Order # 14-03). To improve our energy performance and help the environment by reducing our energy use, purchases shall be made only for reduced energy-consuming devices that meet or exceed the Energy Star or comparable standards established by the U.S. federal government, where possible, without compromising quality or performance. These products use 25 to 50 percent less energy than their traditional counterparts. Reduced energy consumption will result in fewer fossil fuels burned and greenhouse gas emissions reduced, lessening air pollution. Energy efficient products often have an extended product life and decreased maintenance costs, and provide a return on investment due to a reduction in energy costs.

7. **Design for the Environment:** Bidder must describe their environmental program in each of the following areas: reduction/minimization/avoidance of use of toxic and hazardous constituents (cadmium, chromium, mercury, lead,) compliance with international directives such as the European Unions' Directive "Restriction of Hazardous Substances", reduction of chlorinated plastics (PVC) and brominated flame retardants, compliance with the European Union's WEEE Directive requiring the recycle or reuse of old equipment, certification by independent third party eco-labeling program (TCO, Blue Angel, etc.) the use of recyclable, nontoxic packaging.
8. **Alternative Fuels:** Specifications for vehicles and other fuel consuming equipment shall consider not only fuel efficiency, but also the type of fuel so as to provide lower emissions of greenhouse gases and pollutants.

Recycled and Environmentally Preferable Products Definitions

Recycled Content: This is measured in terms of a percent of “post-consumer content” (ingredients made from items diverted from the waste stream). Some of the items currently available with recycled content include copy paper, plastic trash bags, toilet tissue, paper towels, re-refined oil, and re-tread tires. State of Vermont statute requires the Purchasing Division to prepare a biennial report to the Legislature on the dollar amount of recycled content products purchased each year.

Toxic Use Reduction: Eliminates certain chemical ingredients of various products that are hazardous to humans and/or pollute the environment such as phosphates or benzene.

Chlorine-Free Products: Eliminate a family of organo-chlorines, which are suspected of causing cancer. Most widely used in describing paper products since chlorine (and its derivatives) are commonly used as a bleaching or whitening agent. On August 15, 1996 the Governor issued a directive that the State will use only Processed Chlorine Free (PCF) paper for the transaction of State business. A memo dated January 5, 2004 from the Secretary of Administration further emphasized this directive.

Life-Cycle Cost Factors: Look at the entire cost of purchasing, installing, operating, maintaining and disposing of a particular piece of equipment or product when making purchasing decisions.

Take-Back Requirements in Supply Contracts: Ask the supplier to take the item back when it is no longer operational, such as automotive batteries, fluorescent light bulbs or toner cartridges.

Alternatives to Existing Polluting Products: Use a more environmentally friendly product to accomplish the task such as substituting calcium chloride for rock salt in de-icing applications.

Energy-Efficient Equipment: Means buying equipment that carries the Energy Star rating where applicable, or appropriate energy efficiency rating.

Reduced Packaging: We should purchase products in returnable, refillable or reusable containers and buy in bulk quantities, such as gallon jugs instead of quarts.

Construction Practices: Require high “R values” in the material used in construction projects. Contractors must submit a scrap materials recycling plan detailing how waste construction or demolition materials will be recycled, methods for sorting the recyclables and market locations for the recyclables or, in lieu of market locations, certification that materials will be recycled appropriately.



29 V.S.A. § 903 Requisition for supplies and materials

Title 29: Public Property and Supplies

Chapter 49: DEPARTMENT OF BUILDINGS AND GENERAL SERVICES

§ 903. Requisition for supplies and materials

(a) When any governmental agency is in need of any of the items mentioned in this chapter, the responsible officer thereof shall requisition therefore upon the commissioner of buildings and general services, and the commissioner of buildings and general services shall purchase the items by either advertising for bids or by letters of inquiry and the contract for those items shall be awarded to the person whose bid or quotation is in the best interest of the state. Subject to the provisions of subsections (b) and (c) of this section the commissioner of buildings and general services may reject any or all bids or quotations and with the approval of the secretary of administration procure items in such manner as may be in the best interest of the state.

(b) When purchasing any items mentioned in this chapter, the commissioner of buildings and general services, in any determination of the best interest of the state shall consider (1) specified quality, (2) price, (3) ease of access of supply, (4) incidental administrative costs, (5) proven reliability of bidder, (6) use of recycled materials or products, (7) minimizing the creation, by the state, of solid waste, (8) the extent to which the usage of the item involves the generation of pollutants, (9) life cycle costs, if required under the state agency energy plan, as implemented, (10) the interests of the state relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the state and the need to maintain and create jobs in the state and (11) the use of railroads and the increased revenues returning to the state from its railroad leasing program. The commissioner, in the commissioner's discretion, may spend up to ten percent more for comparable products that are made of recycled materials. If products made of recycled materials are to cost more than ten percent more than comparable products, the commissioner shall receive consent of state entities that are to use the product, before completing the order for the materials in question.

(c) Whenever any business or industry located in Vermont and employing citizens of this state has submitted a bid and the item has not been purchased from them, the commissioner of buildings and general services shall record his reason for assigning the order as he did and his report shall be a public record available to any interested person. All bids or quotations shall be kept on file in his office and open to public inspection.

(d) The commissioner of buildings and general services, with the assistance of all state agencies, shall cooperate with the generators and managers of waste materials which may be recycled and with the producers of products which use recycled materials to maximize the state's use of those materials and products, particularly where the added cost of using waste materials rather than virgin materials is less than the cost avoided by not having that waste in the waste stream. Proceeds from the sale of waste materials collected by the department of buildings and general services shall be credited to a special

fund and shall be available to the department to offset the cost of recycling efforts. The goal for the purchase of recycled materials shall be at least 40 percent by the end of 2008. For purposes of this section, "recycled materials" include, but are not limited to, recycled paper products, retreaded automobile tires, re-refined lubricating oil, used automotive parts, reclaimed solvents, recycled asphalt, recycled concrete and compost materials. By January 15 of each odd-numbered year, the commissioner of buildings and general services shall submit a report to the governor and to the natural resources committees of the general assembly reporting on the implementation of this subsection.

(e) Notwithstanding the provisions of subsection (a) of this section and section 906(d) of this chapter, the commissioner of buildings and general services will administer an equipment revolving fund to be used for internal lease purchase of equipment for state agencies. The secretary of administration will establish criteria for equipment to be purchased through this fund, including limiting amounts for specific equipment and the useful life of the equipment.

Agencies or departments acquiring such equipment shall repay the fund through their regular operating budgets according to an amortization schedule established by the commissioner of finance and management. Repayment shall include charges for administrative costs of the purchase and estimated administrative inflation over the term of the payback.

The secretary of administration will report to the general assembly, on the first of February each year, equipment purchased through this fund, plans for equipment purchased through the fund for the following fiscal year, the status of the fund, and a consolidated amortization schedule.

The commissioner of finance and management may anticipate receipts to this fund and issue warrants based thereon.

(f) [Deleted.]

(g) The commissioner of buildings and general services, when purchasing vehicles for state use shall consider vehicles using alternative fuels when the alternative fuel is suitable for the vehicle's operation, is available in the region where the vehicle will be used, and is competitively priced with traditional fuels. (Added 1959, No. 328 (Adj. Sess.), § 13; amended 1966, No. 9 (Sp. Sess.); 1987, No. 78, §§ 18, 19; 1987, No. 243 (Adj. Sess.), § 36, eff. June 13, 1988; No. 281 (Adj. Sess.), § 311; 1989, No. 286 (Adj. Sess.), § 8; 1991, No. 75, § 5; 1991, No. 259 (Adj. Sess.), §§ 9, 10; 1995, No. 148 (Adj. Sess.), § 4(a), eff. May 6, 1996; No. 183 (Adj. Sess.), § 8, eff. May 22, 1996; 1997, No. 155 (Adj. Sess.), § 4; 2003, No. 121 (Adj. Sess.), § 42, eff. June 8, 2004.)

Blanket Delegation of Authority #1 (BDA#1)

MEMORANDUM:

To: Agency Secretaries and Department Commissioners
From: Thomas Torti, Commissioner of Buildings and General Services
Date: December 31, 2004
Re: Blanket Delegation of Authority BDA-1, Direct Purchases less than \$2,500 & Emergency Purchases

Vermont State Statutes (Title 29, Chapter 49, Section 902) states that the Commissioner of Buildings and General Services shall contract for and make all purchases, including, but not limited to, all fuel, supplies, materials and equipment for the Agencies of State Government.

The same statute permits the delegation of certain types of purchases when the "Best Interests of the State" are served.

In the interest of enabling agencies to maintain the continuity of everyday operations and to help avoid delays because of unanticipated needs, the Commissioner of BGS is delegating to each Agency Secretary or Department Commissioner the authority to make direct purchases from suppliers up to \$2,500 under the following conditions.

1. If the item is not available under an existing State contract.
2. If the item is not restricted by Statute or Administrative bulletin (e.g. file cabinets).
3. If the item is not the purchase of like items that are regularly purchased or items bought for stock that should be acquired under a State contract.

The intent of this BDA is to allow for small or unanticipated purchases. It is not to be used for the purchase of the same or like items if those purchases exceed \$5,000 per month or \$10,000 within a fiscal year. If requirements exceed these limits, Purchasing and Contract Administration must be contacted and an approved contract, or BDA will be set up to meet specific requirements. The delegation limit for a single, one time purchase or an aggregate purchase of the same items is \$2,500. Invoices should not be split in an attempt to stay under this threshold.

Agency and Department Heads are responsible for the actions taken under this delegation including compliance with all applicable laws and Administrative Bulletin 3.5. Managers are encouraged to require that competitive pricing be obtained whenever possible. The Purchasing and Contract Administration Staff is available to provide assistance and advice on sources and procedures.

Emergency Purchases: Emergency purchases, occurring during working hours, exceeding \$2,500 should be approved in advance by Purchasing and Contract Administration staff. Emergencies,

which occur during non-working hours necessitating immediate purchase, may be made with the individual agency or department head taking responsibility for the purchase. In such cases Purchasing and Contract Administration is to be contacted immediately the next working day.

Audit:

Actions taken under this delegation will be periodically reviewed to determine if appropriate procedures have been used and whether the "Best Interests of the State" have been served. The Commissioner of Buildings and General Services may revoke or modify this delegation at any time.

The Division of Purchasing & Contract Administration will conduct random audits to determine compliance with this BDA.

This delegation is effective until December 31, 2005, at which time it will be reviewed.

When processing invoices for this material, please enter the above number (BDA-1) on the payment voucher.

NOTE: Agencies are reminded that all actions taken under this BDA must comply with the provisions of Administrative Bulletin No. 3.5 "Contracting Procedures".

TWT/DAD/

Cc: Deborah A. Damore, Chief of Purchasing and Contract Administration
Finance & Management
Financial Operations

Agency of Administration Bulletin No. 3.5

STATE OF VERMONT

AGENCY OF ADMINISTRATION

BULLETIN NO. 3.5

CONTRACTING PROCEDURES

ISSUED BY: William H. Sorrell, Secretary of Administration

DATE: August 10, 1995

SUPERSEDES: Agency of Administration Bulletin 3.5, dated February 18, 1992

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I. POLICY AND PURPOSE

This Bulletin establishes the general policy and minimum standards for soliciting vendors of services and products outside state government and processing the related contract(s).

Policy Statement: It is the policy of the State of Vermont to obtain high quality services and materials in a cost effective manner through the maximum use of an open and competitive contract solicitation process. Supervisors, as herein defined, are hereby delegated the management and oversight responsibilities for the procurement and contracting process for services and products and are directed to oversee these responsibilities in a manner consistent with this policy and with the provisions of this Bulletin.

II. DEFINITIONS

As used in this Bulletin:

"Agency" means an agency, department, division, board or other administrative unit of the Executive Branch, including the elected constitutional offices as well as those having express statutory authority to enter into contracts.

"Conflict of interest" means a pecuniary interest of an employee in the award or performance of the contract, or such an interest, known to the employee, by a member of his /her immediate family or household or a business associate.

"Contract" means any legally enforceable agreement between an agency and another legal entity to provide services and/or products. The term contract includes all such agreements whether or not characterized as a "contract," "agreement," "miscellaneous agreement," "letter of agreement," or other similar term.

"Products" shall be broadly interpreted and includes equipment, materials, supplies, printing, and other commodities. The term applies to the lease and lease-purchase of equipment such as computers, copiers and/or other office machinery.

"Services" shall be broadly interpreted and includes personal and professional services of an individual or of persons working for a business enterprise; construction services; design and engineering services; real estate services and the maintenance of equipment.

"Supervisor" means any secretary, commissioner, executive director, independent Constitutional officer or other head of an agency.

"Secretary" means the Secretary of Administration.

III. WHEN TO USE A CONTRACT

Contracts normally are to be used to acquire services and/or products from other than state entities or employees of the state in the course of their employment.

A. Grant or Contract

While the most common utilization of a grant is for the direct support of persons, grants are also commonly given to organizations which perform public benefit activities with a high degree of independence. Promises made by a grantee in a grant agreement are as enforceable as are promises by a contractor.

The degree of agency supervision is a key question in deciding whether to contract or award a grant. Broadly speaking, grants are appropriate when an agency retains very little control over the grantee's performance. At the other extreme, close or frequent supervision indicates that employment (temporary or permanent) should be utilized, particularly if the worker is expected to work regular hours. Contracts are generally appropriate when the agency's supervisory control falls between these two extremes.

A grant, not a contract, should be used when:

1. Appropriated funds are characterized in the law as "grants";
2. The principal purpose is to support or stimulate a quasi-public activity, the primary benefit of which is to a client or customer group rather than the agency itself or wards of state government; **and**
3. There will not be substantial state oversight of the funded activity, other than providing guidance upon request and accumulating information on the progress achieved and financial status at the close of the program or activity.

When a proposed "grant" does not meet the above test, an agency should utilize a contract. For example, a grant would be appropriate when the grantee is responsible for identifying the individuals within a served client population such as "mentally retarded adults in the Springfield area". In contrast, a contract would be appropriate when the vendor serves specific individuals identified by the contracting agency, such as state wards or "persons referred by the district office staff".

B. Personal Services Contracts: Contractors and Employees

Generally, personal services should be obtained from state employees rather than contractors. Contractors should not be used to do the continuing work of the government nor when an agency of the state is able to provide quality services at competitive market rates.

Federal and state tax laws establish stringent rules regarding when an agency's "contractor" has to be treated for tax purposes as an "employee". An agency which is unaware of these tax rules can have an unexpected tax liability, including penalties, after the contract is completed, or may face an unexpected claim for unemployment compensation. The fact that an agency chooses to characterize the relationship as "contractual" rather than as "employment" has little bearing on the outcome. An agency's responsibility in these matters depends on the facts of the relationship and not upon the manner in which it is described.

In order to minimize such risks, agencies generally should not enter into personal services contracts when the agency would be liable under state or federal law for income tax withholding, for F.I.C.A. taxes, or for unemployment or workers' compensation benefits.

1. ABC Test

Unless all three of the following "ABC" conditions are met, a personal services contract is not appropriate and an employment option is recommended:

- a. The agency will not exercise supervision over the daily activities, times of work, or the means and methods by which the contractor provides services, either in fact or under the terms of the contract. However, the agency may ensure that the contractor meets performance specifications contained in the contract.
- b. The service provided is not of the kind usually provided by the agency.
- c. The contractor customarily engages in an independently established trade, occupation, profession or business. If the contractor retains the ability to engage other clients during the contract term, this normally proves the existence of an independently established business.

If it is not appropriate to form a contract, an agency should use temporary employees, limited service employees, or permanent employees to do the work. As more fully described in Bulletin 4.10:

- Permanent classified or exempt positions can only be authorized by the Legislature.
- Limited service positions can be authorized by the Joint Fiscal Committee in connection with a grant, or by the Legislature itself.
- Temporary employees can only be hired with approval of the Commissioner of Personnel in accordance with 3 VSA § 331. Except when emergency approval is given by the Commissioner of Personnel, a temporary employee cannot work for more than 1520 hours per calendar year.

2. Exceptions: Notwithstanding the foregoing, an agency may enter into a personal services contract in the following cases:

- a. When a statute, other legislative authorization or executive order explicitly directs that an agency may use contractors. An example would be highway construction and planning (19 VSA § 10(1)). Such contracts are not exempt from the procedures in this Bulletin.
- b. When the contractor has unique abilities not available in a pool of prospective employees and recruitment has been unsuccessful.
- c. For clerical or secretarial services provided by an established company which normally provides such services when necessary to replace a vacationing or otherwise absent employee.
- d. "Contracting out" may be specially approved by the Secretary if significant savings are likely in program cost and the contractor will not be asked to exercise sovereign powers such as the police power or eminent domain, to establish state policy, or to represent government policies to the public. Contracting out will not be approved when a contractor will work in close proximity to state employees doing the same or a very similar task.

IV. MISCELLANEOUS

A. Opportunity to Compete

Executive Order #15-91 requires all agencies of state government to adopt and implement the following policy:

The State of Vermont recognizes the important contribution and vital impact which small businesses have on the state's economy. In this regard, the state subscribes to a free and open bidding process that affords all businesses equal access and opportunity to compete for state contracts for goods and services. The state also recognizes the existence of businesses owned by minorities and women and directs all state agencies and departments to make a good faith effort to encourage these firms to compete for state contracts.

B. Conflict of Interest

Employees with a conflict of interest should not be permitted to control or influence the award of contracts. **The Executive Code of Ethics - EO #8-91 sets standards that should be used as the main guide.**

Additionally, every effort should be made to avoid the "appearance" of a conflict of interest in the contracting process.

C. Umbrella Product Contracts

In many instances, the Department of General Services maintains "umbrella" contracts for materials, supplies, parts, or commodities, which generally should be used by an agency. Contact the State Purchasing Division or use the Automated Purchasing System. (Consult the state purchasing manual for how to use the purchasing system.)

D. Contract Duration

An agency should carefully consider what term (i.e. period of time) is appropriate for a contract. In certain situations, e.g. when purchasing goods or services for which there is a continuing need, the agency must decide what period of time best meets the State's immediate and longer term needs. Considerations should include, among other things, the nature of the goods or services to be obtained and the state of any particular industry or market involved. Generally, shorter contracts are favored over longer contracts. Accordingly, an agency must have good cause to contract for more than two years at a time. If it is reasonable to believe the State might want to extend the contract beyond a base period, this fact should be noted. **The maximum for any such extensions is two additional years.**

E. Price

Price should always be a substantial consideration in selecting a contractor but often it is not the only consideration. An agency should establish selection criteria that provide for the overall best interests of the State. In addition to price, the criteria may also include factors such as qualifications, experience, quality of past work, references and timeliness, among others.

V. THE BIDDING PROCESS

A. Pre-qualified Bidding

In order to streamline the bidding process for instances where a type of work is routinely bid, it can be more efficient for an agency to establish a list of pre-qualified vendors. A pre-qualified vendor is one which has been determined by an agency to be generally qualified to perform a type of work routinely bid by the agency. All vendors who are determined qualified to perform the type of work for which the pre-qualification list has been established and who so request should be included on the list by the agency.

At least once in a two-year period, an agency using a pre-qualified bidding process must publicly solicit the opportunity to be placed upon the list. Such agency should establish clear criteria for the qualifications that, if met, allow potential vendors to be included on the pre-qualification list. Additionally, the agency should maintain an on-going process during the period between formal list revisions which allows additional vendors to request review and addition to the pre-qualification list.

An agency may limit the bidding for specific work to vendors on a pre-qualification list as long as bids from at least three qualified vendors are solicited. All vendors on the list shall be given the opportunity to bid for the work. When applicable, the public notice requirement shall include the restriction that bidding is limited to those on a pre-qualification list and provide information as to how vendors can be included on this list.

B. The Bid Documents

For any contract relating to information technology services or equipment, the Chief Information Officer should be consulted and, where appropriate, should review and approve the bid documents. Pursuant to 32 VSA § 163(9), the Auditor of Accounts must approve requests for accounting or auditing services.

1. Scope of Services: The bid documents must include a scope of services. The purpose of the scope of services is to provide prospective vendors with clear and concise information regarding the requested work. The scope of services should at minimum describe in detail the work to be performed, the time frame for the work, any interim completion dates and the expected outcomes and related performance standards. A thorough and well-structured scope of services enhances the responsiveness of vendors during the solicitation process, promotes the reliability and comparability of proposals, and minimizes the need for contract negotiations and subsequent contract amendments.

2. Context for the Work and Management Structure: The bid documents should provide the vendor with a brief overview of the recent history leading to the agency's decision to seek a contractor. Such an overview will provide vendors with a better understanding of the purpose and context of the work. Additionally, the management structure for the contract within the agency should be described.

3. Bid and Contract Requirements: Bid documents should clearly explain to bidders the procedural and substantive requirements of the bidding process and the key components of the resulting contract. For example, the schedule and location for all bid-related activities should be explicitly stated. These would include on-location views of the work area, any pre-bid informational conferences, the time and location for the submission of bid documents and the

time, date and location of the bid opening. Any special requirements for submissions with the bid, such as bid bonds, qualification profiles, resumes of key personnel performing the work, etc. should be explicitly stated.

Relative to contract requirements, the bid documents should describe the key elements of the contract to be signed with the vendor winning the bid. The recommended method of meeting this requirement is to attach to the bid documents a copy of the basic contract documents which the selected vendor will be expected to execute.

4. Price Quotation Form: The bid documents should include a price quotation form. The form should explicitly allow for price quotations for the core services or products requested and for each incremental phase of a project where the agency has determined the project to be of a phased nature. In any case when contract extension is contemplated, the quotation form should explicitly provide for a price quotation applicable to each such extension. Additionally, the form should allow for separate price quotations for optional services or products related to the core work which the agency may consider adding to or deleting from the basic bid.

5. The Basis for Selection: The bid documents should clearly explain the selection criteria to be used by the agency in the selection process. If certain factors in the selection process are of relatively more importance than others, the degree of such relative importance should be clearly stated and, if possible, quantitatively profiled.

6. Pre-bid Conferences and Adjustments to Bid Documents: For large or complex work, it is recommended that the agency hold a pre-bid conference where agency staff can review with potential vendors the scope of services for the work and other content of the bid documents.

Any change to or changed state interpretation of the bid documents resulting from a pre-bid conference or from any other cause upon which the agency intends bidders to rely, should be communicated in writing in a timely manner to all vendors in receipt of the bid documents.

C. Public Notice regarding the Bid

The opportunity to bid for the proposed work must be broadly publicized. At minimum, such solicitation should include advertising in a newspaper of record broadly circulated throughout Vermont at least twice during a two-week period and advertising on the Electronic Bulletin Board operated by the Department of Libraries and the Department of General Services. Other methods of solicitation include direct mailings to potential vendors, direct mailings to vendors on a pre-qualified list (see above) and/or publication in trade journals. It is important for an agency to maintain a list of those requesting bid documents.

The time between the initial public notice and the opening of bids should be at least two weeks. For relatively complex work, additional time should be permitted in order to allow potential vendors a reasonable opportunity to obtain the bid documents and prepare a responsive bid.

D. The Bid Opening

A public bid opening and reading of bids should be the norm and is required for contracts over \$75,000. Two staff of the agency should be in attendance at the bid opening. Bids that have not been received prior to the established time for the receipt of bids shall be returned unopened to the bidder.

E. Contractor Selection and Documentation

1. **Selection**: The bid most responsive to the selection criteria established in the bid documents should be accepted. When appropriate, a supervisor may establish a contract selection committee to review the bids and make a written recommendation.

The agency should notify all bidders of its decision.

2. **Documentation**: A copy of the scope of services, price quotations, vendors solicited and any written selection justifications must be placed in the contract file. When other than the lowest bid is accepted, there must be documentation concerning the quality of services, products or other relevant considerations offered by a higher priced vendor which justify the award of the contract to the higher priced vendor.

F. Apparent Conflict of Interest

If a reasonable person might conclude that a contractor was selected for improper reasons, the supervisor should disclose that fact in writing to the AG and the Secretary and document the reasons why selecting the desired contractor is still in the best interests of the State.

An agency may award a contract to a person serving on a board related to the agency provided:

- a. The board does not have any control over the award of the contract; and
- b. The contract award meets all the applicable bidding requirements in this Bulletin.

G. Exceptions and Waivers

1. **Sole Source Exceptions**: Every reasonable effort should be taken to promote a competitive solicitation process when selecting a contractor. However, in extraordinary circumstances, negotiating with only one contractor may be appropriate. Examples of when a sole source contract might be appropriate include when time is critical for performance of the required services, e.g. emergency repairs and/or when only one contractor is capable of providing the needed service or product.

In other than emergency situations, at least two weeks prior to the planned execution of a sole source contract having a value of between \$10,000 and \$75,000, the supervisor must forward to the Secretary a notice of intent to execute the sole source contract and the justification for the same. If the Secretary does not object, the contract may be executed. For sole source contracts having a value of more than \$75,000, the Secretary must approve the contract prior to its execution by the supervisor.

2. **Waivers and Contracting Plans**: The Secretary may waive provisions of this Bulletin on a case by case basis pursuant to a written request from a supervisor. Any such request must describe in detail the basis for the request and the specific component(s) of the contracting process for which the waiver is sought.

Additionally, for specific classes of contracts exhibiting characteristics which can not reasonably be accommodated within the requirements of this Bulletin, the Secretary may approve a written contracting plan that provides an acceptable alternative to any requirement of this Bulletin. **(All such contracting plans approved pursuant to prior versions of this Bulletin must be**

resubmitted for renewed approval to the Secretary within 6 months of the effective date of this Bulletin.)

VI. APPLICABLE BIDDING PROCESS REQUIREMENTS

A. Contracts \$10,000 or less

A supervisor may enter into a contract for \$10,000 or less without a formal competitive solicitation process. At the time of contract execution, the supervisor must place in the official contract file a signed explanation for selecting the contractor. Such explanation must include:

1. A description of the qualifications of the contractor supporting the policy that the services or products to be provided by the vendor must be of high quality;
2. A description of the prices charged by the vendor and an explanation as to why such charges are both cost effective and reasonable.

B. Contracts greater than \$10,000 but not more than \$75,000

A supervisor may enter into a contract over \$10,000 but not more than \$75,000 following either a formal bid or simplified bid process. A "simplified bid process" means that the agency has developed a specific and detailed scope of services for the service or product desired and has solicited written price quotations from vendors providing the specified services or products. The scope of services and request for price quotations must be mailed in a timely manner to at least three potential bidders. If the agency is unsure whether the contract will fall below the \$75,000 threshold, in order to avoid re-bidding the work, the use of a formal bid process is recommended.

C. Contracts greater than \$75,000

A supervisor may enter into a contract greater than \$75,000 only after adherence to a formal bid process in compliance with the provisions of this Bulletin.

D. Exceptions

In some cases, state or federal statutes require bidding at lower amounts. Such statutes must be followed. For example: 19 VSA § 10(1) requires bidding of transportation contracts above \$50,000 and 29 VSA § 161 requires public bidding of building contracts above \$50,000.

VII. CONTRACT DRAFTING AND REQUISITE APPROVALS

A. Drafting the Contract

Contracts, of any amount, must be in writing. Each contract must:

1. describe the scope of services to be performed or products to be delivered by the contractor, including the schedule for performance and applicable standards by which the contractor's performance will be measured;
2. specify a maximum amount of money to be paid by the State under the contract;
3. describe how, when, and for what the contractor will be paid.

Generally, it is recommended that the bid documents and bid proposal be incorporated in the contract by reference in order to support the contract with these important source documents. Additionally, the contract must include the customary state contract provisions (known as Attachment C - See Appendix V).

Insurance - It is very important that appropriate insurance be included in the contract to protect the State's interests. Standard insurance coverage provisions are included in Attachment C and are intended to cover most of the situations encountered. However, there may be a need for additional types of insurance, depending on the circumstances, e.g. professional liability insurance, and/or for higher insurance limits when relatively dangerous or hazardous activities are contemplated. Agencies should consult with the Director of Risk Management for guidance in such instances. Conversely, there may be instances in which the limits may be reduced or eliminated altogether from the contract. Such modifications, however, may only be undertaken with a waiver from either the Director of Risk Management or the AG.

When a contract extends for more than one page, each page should be numbered sequentially and the total number of pages should be noted on each page, (e.g., "Page 3 of 6")

For contracts of \$10,000 or less, formats can be brief. An adequate small contract could consist of a single sheet, labeled "Contract", stating the parties and the essential terms with the customary state contract provisions (Attachment C) attached. The essential terms are the work to be performed or products to be delivered, the beginning and ending dates or date of delivery, the amount payable (maximum amount for services contracts), and payment provisions.

For contracts greater than \$10,000, it is recommended, in the interests of consistency, that standard forms be utilized. A Standard State Contract for Personal Services is included in this Bulletin as Appendix I. Use of this form might speed any necessary approval process. The form of any contract for products should be reviewed and approved in advance by the AG.

When the complexity or other aspects of a contract dictate use of other than the Standard State Contract form, an agency must ensure that all the terms in the Standard Contract (and its Customary Provisions) or suitable substitute provisions are utilized. The tax status certifications, child support, and equal opportunity clauses are particularly important as they are statutorily required. **It is not permissible to include a clause restricting the ability of the contractor to hire state employees, without prior permission of the Department of Personnel.**

If an agency has many contractors doing the same work for similar rates of pay, it may prefer to use Form AA-16 ("Miscellaneous Agreement"). AA-16 is used to authorize payment of persons such as foster grandparents, special education hearing officers, and other volunteers or contractors where many persons provide similar services.

B. Required Prior Approvals

An agency may have to obtain prior approval of a contract from the Secretary, the AG, or both. No contract requiring prior approval should be executed until after all required approvals have been obtained.

1. Attorney General Review: Pursuant to 3 V.S.A. § 311(a)(10), the AG must give prior written approval to any contract over \$10,000 to determine if it is consistent with the intent of the classified service. This approval can be by an assigned "in-house" Assistant AG (AAG) or by the

AG's central office. In addition, the AG or "in-house" legal counsel must review contracts in excess of \$10,000 which do not utilize the Standard State Contract for Personal Services to ensure that the form of the contract is appropriate ("approval as to form"). The AG will review as to form contracts for \$10,000 or less upon request. Review as to form can help ensure that expectations of the parties and payment plans are clear and enforceable, and is highly recommended for complex contracts.

2. Secretary of Administration: The Secretary, or his/her designee, must give prior approval to any sole source contract over \$75,000 and any contract in an amount over \$250,000.

C. Obtaining Prior Approvals

For any contract greater than \$10,000, an AA-14 (Contract Summary and Certification Form) must be completed. At the time an AA-14 is being prepared, the agency should obtain a contract number from the Department of Finance and Management, Division of Financial Operations.

1. Attorney General Only: If an in-house AAG is available, the agency should prepare an AA-14 and have the AAG review and approve it. Whenever approval is required by the AG's central office, the agency must forward the draft contract to the AG with a completed form AA-14.

2. Attorney General and Secretary of Administration: When a contract requires prior approval by both the Secretary and the AG's central office, the unsigned original and one copy of the contract, accompanied by a signed AA-14 (three parts), must be sent to the Department of Finance and Management, Division of Budget and Management (F&M) .

Any contracts sent to F&M for prior approval should be sent at least two weeks before the planned execution date. If less time is available, a letter of explanation should be attached. For contracts taking effect on July 1, contract papers should be submitted not later than June 1.

F&M will forward the contract and AA-14 to the AG for review. Upon receipt of the decision of the AG, F&M will forward the contract, the AA-14, its own recommendation and the decision of the AG to the Secretary for approval.

If approved, the Secretary will return the contract papers to F&M where one copy of the AA-14 and contract will be retained and the remaining documents will be returned to the agency.

If an in-house AAG is available, the agency should prepare an AA-14 and have the AAG review and approve it. Then, the AA-14, the original and one copy of the contract should be sent to F&M for its review and the Secretary's approval.

D. No Approvals Required

When no prior approvals by the AG or the Secretary are required, the agency should obtain a contract number from F&M and complete an AA-14. It is the responsibility of the agency to file the AA-14 and the contract payment provisions with Financial Operations.

VIII. CONTRACT EXECUTION, REQUISITE FILINGS AND RECORDS

A. Execution

A contract must be signed by the appropriate supervisor or his/her designee, consistent with Bulletin 3.3 relating to signature authorizations.

B. Filings

After a contract has been fully executed, the agency should:

1. Deliver a copy of the entire contract, as executed, to the contractor;
2. Send the original (fully approved) AA-14 and a copy of the Attachment B (payment provisions) to Financial Operations. Financial Operations will not pay on any contract greater than \$10,000 for which it does not have an AA-14 on file.

If an agency so requests for a particular contract, Financial Operations may review and render an opinion as to whether proposed payments actually are authorized under the contract's payment provisions. This double check on agency calculations can be helpful, particularly when payment provisions are complex. Agencies should not request this service when payments are of a routine nature and a duplicate review would be of little value, such as in prearranged amounts. To have this check performed, an agency should request the service on the AA-14.

C. Contract File

An agency must maintain an up-to-date contract file that is an official public record. For all contracts, agencies must keep the following records on file, as public records, for at least three years after the contract's term expires:

1. The signed original contract, all amendments and associated AA-14's or AA-16's, a sole source authorization, if applicable; and
2. For contracts of \$10,000 or less, the written explanation for contractor selection;
3. For contracts greater than \$10,000 through \$75,000, the scope of services, price quotations, a list of vendors solicited, and any written determinations of the supervisor;
4. For contracts greater than \$75,000, the documents described in subsection 3 above, the bid documents, vendor bids, any adjustments to or written interpretations of the bid documents, any staff analyses and/or recommendations regarding the bid;
5. For contracts of more than two years duration, a written explanation detailing the reasons for the longer than normal contract length.

IX. PAYMENTS TO CONTRACTORS

Payment is made through the Division of Financial Operations by submission of a Standard State Invoice (Form AAF-23) accompanied by the original invoice from the contractor. The payment request must include the contract number, if applicable.

X. CONTRACT AMENDMENTS

One purpose of this Bulletin is to minimize contract amendments, especially as they relate to significant changes in the scope of services and/or contract price amount. It is generally desirable to avoid contract amendments because they emphasize negotiations between an agency and a contractor and thus can diminish the advantages of the competitive bidding

process. Also, extensive contract amendments may indicate that an agency did not define and develop a thorough scope of services for the work.

However, instances will occur when a contract amendment is justified. In such instances, the agency should negotiate with the contractor to amend a contract in the best interests of the State.

Generally, a supervisor may execute a contract amendment. An amendment must be approved in advance by the AG and the Secretary in the following two situations:

1. The amendment is the third or more to the contract: and/or
2. The cumulative effect of the amendment and all prior amendments increases the contract price above the following thresholds:
 - a. For contracts less than \$75,000, 25% of the original contract amount or \$2,500, whichever is greater;
 - b. For contracts between \$75,000 and \$250,000, 25% of the original contract amount or \$40,000, whichever is less;
 - c. For contracts greater than \$250,000, 15% of the original contract amount.

A contract amendment must include the original contract number and a sequential amendment number. It also should describe what parts of the contract are deleted or changed, and what parts added. The agency must forward to Financial Operations an amended AA-14 and any changed payment provisions for each amendment.

Prior approval requests to the AG and/or the Secretary should be forwarded to F&M and include two copies of the current contract and the proposed amendment and a revised AA-14. The AA-14 should show the original contract number and a change number. The amendment should not be signed until approved.

After an amendment has been signed, the agency must ensure that current payment provisions (known as attachment B - See Appendix III) are filed with Financial Operations.

Agencies must not use multiple contracts to procure goods and/or services that can reasonably be procured through one contract, nor use the contract amendment process to avoid the requirements in this Bulletin relating to competitive solicitation.

Changes to the list of persons payable under an AA-16 may be made in a letter submitted to F&M for approval.

XI. ANNUAL REVIEWS

In order to promote compliance with the provisions of this Bulletin, F&M will conduct management reviews of performance relative to the policy and requirements herein. The results of such reviews are subject to public disclosure.

Appendix I

Standard State Contract for Personal Services

Use of the Standard State Contract is recommended. In most cases, if used, contracts can be quickly written and will consist of only a few pages.

The Standard Contract describes only the central terms. It also incorporates four attachments, each of which is discussed in a separate appendix to this Bulletin. Attachments A and B are used to describe what the contractor will do and how the contractor will be paid (See Appendices II and III for commentary).

Attachment C normally will be a preprinted document which contains standardized provisions on a variety of subjects (See Appendices IV and V for text and commentary). When the preprinted document cannot convey all the terms and conditions the agency wants to include, additional terms can be added as an Attachment D (See Appendix VI for sample provisions).

Paragraph #1 of the contract should identify the contractor's form of business organization. Possibilities include an individual, a sole proprietorship (an individual acting under a business name), a partnership, an unincorporated association, a corporation, a municipality, a state, or a federal agency. The form of organization is important because, except for an individual doing business in his/her own name, every legal entity doing business must register with the Secretary of State. If you are not sure if the contractor is doing business as an individual, call the Secretary of State's Office, Corporations Division.

In addition, only certain kinds of business entities must certify their child support payment status.

Paragraph #1 must include the Contractor's Business Account Number issued by the Vermont Department of Taxes. An individual contracting in his/her own name does not need such a number. Any business with employees or which is required to pay Sales and Use tax should have such a number. The Departments of Taxes and Finance and Management can use this information to withhold payment to a contractor who is not in good standing with respect to taxes owed to the State.

In the signature blocks, type in Contractor's full legal name. If the Contractor is an individual, cross out the word "Title".

STATE OF VERMONT
STANDARD CONTRACT FOR PERSONAL SERVICES

Contract # _____

1. Parties: This is a contract for personal services between the State of Vermont, _____ (hereafter called "State"), and _____, with _____ principal place of business in _____, (hereafter called "Contractor"). Contractor's form of business organization is _____. Contractor (is/is not) required by law to have a Business Account Number from the Vermont Department of Taxes. Account Number is (#_____/not required by law).

2. Subject Matter: The subject matter of this contract is personal services generally on the subject of _____. Detailed services to be provided by the contractor are described in Attachment A.

3. Maximum Amount: In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$_____.00.

4. Contract Term: The period of contractor's performance shall begin on _____, 19____ and end on _____, 19_____.

5. Prior Approvals: If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

- Approval by the Attorney General's Office /is /is not/ required.
- Approval by the Secretary of Administration /is /is not/ required.

6. Amendment: No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. Cancellation: This contract may be canceled by either party by giving written notice at least _____ days in advance.

8. Attachments: This contract consists of _____ pages including the following attachments which are incorporated herein:

Attachment A - Specifications of Work to be Performed

Attachment B - Payment Provisions

Attachment C - "Customary State Contract Provisions", a preprinted form (revision date **2/95**), except that the following numbered paragraphs are not included:

Attachment D - Other Provisions.

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

by the STATE OF VERMONT

by the CONTRACTOR

Date: _____

Date: _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Fed.ID/S.Sec # _____

Agency: _____

Title: _____

APPENDIX II

GUIDELINES FOR ATTACHMENT A SPECIFICATIONS OF WORK TO BE PERFORMED

Attachment A of a Standard State Contract describes the nature and extent of the Contractor's obligations. This is the most important part of the contract. To avoid problems later, you should make the description clear, unambiguous and complete. Specify all performances and products to be delivered. Avoid "legalese"; plain English is sufficient and preferred.

The following checklist should be helpful in writing specifications:

1. Does the work statement let the contractor know what is ahead? Is it specific enough to allow the contractor to make a list of human resources and, if necessary, special facilities, equipment, subcontracts and/or consultants needed to accomplish the work?
2. Is general and background information separated from directions to the contractor and required performance? The minimum that the contractor is expected to do should be clearly described.
3. Have the agency's responsibilities to the contractor been clearly identified? If not, the state could find it more difficult to enforce its rights under the contract.
4. Will it be possible to measure performance? Are the end results and specific duties of the Contractor stated in such a way that he/she/it knows what is required and the agency official who orders payment can tell whether payment is due? Have the type and quantity of reports required of the contractor (technical, financial, progress, etc.) been described and specified? Is there a date for each task or outcome the Contractor must deliver? If elapsed time is used, does it specify calendar days or work days? Are the desired quantities shown?
5. Are all documents necessary to the contract included by reference and properly cited, e.g. RFP, work plan?

APPENDIX III

GUIDELINES FOR ATTACHMENT B PAYMENT PROVISIONS

The main body of the Standard State Contract simply states the maximum amount to be paid. Attachment B describes payments in more detail. Attachment B should tell the Contractor:

1. Whether payment will be made based upon the passage of time or upon delivery of a product;
2. What bills, invoices or other proof of work the contractor must submit before being paid;
3. When and how much the contractor will be paid, and what deductions will be made from payments; and
4. Whether any expenses will be reimbursed, and to what limits.

Payments can be made periodically, upon completion of specific tasks, by percentage of the total contract performance, or by some combination of these methods. As a general rule, payments should be made only after work has been completed and delivered. One reason for this policy is the possibility of default and insolvency. An agency may not be able to recover its money from a contractor in receipt of a large prior payment and then having filed for bankruptcy. Also, if the contractor breaches the contract, a prior payment may not be recoverable without filing a lawsuit.

Periodic and Progress Payments

Most contracts provide for periodic payments, usually biweekly or monthly. To document work performed and to remind the agency to make payments, most contracts require the Contractor to submit an invoice or bill, showing the amount of work accomplished during the work period. Usually the contract will provide for an hourly or daily rate of payment, so the invoice should show the number of hours or days worked.

A more complicated provision provides for "progress payments", or payments made on completion of designated steps in the contract work. A progress payment might be made, for example, when a preliminary report is submitted and accepted. Such a payment provision should define carefully what the contractor must finish to be entitled to each intermediate payment.

A variation of the progress payment calls for payment when a specified percentage of the work has been completed.

Progress payments are useful because they require an agency to examine the work being done; but they also have pitfalls. When writing these provisions, make the steps realistic estimates of the way the work will be performed. If the Contractor cannot complete the specific steps until near the end of the contract, the Contractor may have cash flow problems and thereby be unable to bid for or perform the work.

Retainage

When a final product is required, such as a final report, it is good practice to keep a significant amount of money, usually at least 10 percent, as a "retainage" to ensure performance.

Sample Attachment B Provisions

1. The State shall pay contractor as follows: _____

_____.

2. The State shall not be responsible for expenses of the Contractor.

- or -

2. The State shall reimburse contractor for reasonable and necessary expenses incurred in performance of this contract, in accordance with state reimbursement offered to state employees, and not to exceed a total amount of \$_____.

3. Contractor will submit a bill or invoice on or about _____ to:

Name: _____

Title: _____

Department: _____

Address: _____

4. The Contractor agrees to a 10% retainage of the total contract fee subject to review, approval and acceptance of Contractor's final report by the State.

APPENDIX IV

GUIDELINES FOR ATTACHMENT C PREPRINTED CUSTOMARY PROVISIONS

Appendix V is a copy of a preprinted form containing Customary Provisions for state contracts. The Customary Provisions form normally will be included in its entirety in a contract as Attachment C.

All personal services contracts should require basic insurance coverage and limits. (See Attachment D for professional liability and owner's protective liability insurance provisions). Exceptions must be reviewed and approved in advance by either the AG or the Risk Management Division. In no case should coverage or limit requirements be reduced in the case of direct client care, particularly involving minors.

APPENDIX V

ATTACHMENT C: CONTRACTS FOR SERVICES CUSTOMARY STATE CONTRACT PROVISIONS (Revised 8/95)

1. **Entire Agreement:** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

2. **Applicable Law:** This contract will be governed by the laws of the State of Vermont.

3. **Appropriations:** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.

4. **No Employee Benefits For Contractor:** The contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including, but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

5. **Independence, Liability:** The Contractor will act in an independent capacity and not as officers or employees of the State. The contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's acts and/or omissions in the performance of this contract.

6. **Insurance:** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the contractor to maintain current certificates of insurance on file with the state through the term of the contract.

Workers Compensation: With respect to all operations performed, the contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Independent Contractors' Protective
- Products and completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence

\$1,000,000 General Aggregate

\$1,000,000 Products / completed products aggregate

\$50,000 Fire Legal Liability

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, no matter the ownership status, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 Combined single limit.

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the contractor for the contractor's operations. These are solely minimums that have been set to protect the interests of the state.

7. Reliance By the State on Representations: All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the contractor, including but not limited to bills, invoices, progress reports and other proofs of work.

8. Records Available for Audit: The Contractor will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.

9. Fair Employment Practices and Americans with Disabilities Act: Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.

10. Set Off: The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

11. Taxes Due To The State:

a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal recourse to contest the amounts due.

12. Child Support: (Applicable if the Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:

a. is not under any obligation to pay child support; or

b. is under such an obligation and is in good standing with respect to that obligation; or

c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. Subcontractors: Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph 11 above.

14. No Gifts or Gratuities: Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.

15. Copies: All written reports prepared under this contract will be printed using both sides of the paper.

(End of Customary Provisions)

APPENDIX VI

GUIDELINES FOR ATTACHMENT D OTHER CONTRACT PROVISIONS

Many contracts can be fully described using the materials described in preceding Appendices to this Bulletin. In some cases, however, agencies will want to add specially tailored provisions not available on preprinted forms or in the main contract itself. In addition, when contracting for professional services, agencies will be required (absent an appropriate waiver) to include a professional liability insurance provision. Attachment D of the contract, "Other Provisions", should be used for this purpose.

Some possible "Other Provisions" are suggested below.

Cost of Materials: Contractor will not buy materials and resell to the State at a profit.

Identity of workers: The Contractor will assign the following individuals to the services to be performed under the provisions of this contract, and these individuals shall be considered essential to performance. [cite individuals]. Should any of the individuals become unavailable during the period of performance, the State shall have the right to approve any proposed successors, or, at its option, to cancel the remainder of the contract.

Progress reports: The Contractor shall submit progress reports to the State according to the following schedule. [cite schedule]. Each report shall describe the status of the Contractor's performance since the preceding report and the progress expected to be made in the next successive period. Each report shall describe Contractor activities by reference to the work specifications contained in Attachment A of this contract and shall include a statement of work hours expended, expenses incurred, and bills submitted, and payments made.

Comment: This clause may be used either in Attachment A (Specifications of Work to be Performed) or here. It provides information for interim evaluation of the Contractor's work and assists in detecting difficulties which may lead to necessary modification or cancellation of the contract. If payments are to be conditioned on receipt of progress reports, this should be clearly set forth in Attachment B (Payment Provisions).

Compliance with Other Laws: The Contractor agrees to comply with the requirements of [cite specific applicable federal or state statutory or regulatory provisions], and agrees further to include a similar provision in any and all subcontracts.

Comment: Use this clause to refer to any statutory or regulatory provisions which must by law, grant condition or otherwise, be included in the wording of the contract. This may include in particular cases the provisions of the Federal Rehabilitation Act of 1973 (Sec. 504), as amended; the Age Discrimination Act of 1975; and the Civil Rights Act of 1964.

Availability of Federal Funds: This contract is funded in whole or in part by federal funds. In the event the federal funds supporting this contract become unavailable or are reduced, the State may cancel this contract immediately, and the State shall have no obligation to pay Contractor from State revenues.

Comment: Use this clause when the state agency is not willing or able to compensate for the loss of federal funds on short notice. Agency fiscal officers should closely monitor funding

availability and performance under these contracts, as the State may remain liable for expenditures made in good faith by the Contractor prior to notice of cancellation.

Audit of Federal Subrecipient: Under current interpretations of federal law, contractor will be considered a "subrecipient" subject to the federal single audit act. Contractor will comply with audit requirements contained in Circular A-128/Circular A-110 and/or other applicable circular of the U.S. Office of Management and Budget. The cost of such an audit will be borne by the contractor/is included in the payment provisions of this contract.

Comment: Current federal law defines a "subrecipient" of federal money as an organization which receives federal assistance from a recipient (the agency) to carry out a program. Such subrecipients are subject to federal audit requirements.

However, if a contract is a "procurement contract to buy goods or services", the contractor is not a subrecipient and is not subject to federal audit requirements. Most personal services contracts should be exempt from federal audit requirements for this reason. Agency officials should consult federal officials about whether the language above should be included in a particular contract.

Work Product Ownership: Upon full payment by the State, all products of the Contractor's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by contractor.

Prior Approval/Review of Releases: Any notices, information pamphlets, press releases, research reports, or similar other publications prepared and released in written or oral form by the Contractor under this contract shall be approved/reviewed by the State prior to release.

Comment: All material published in connection with activities performed under State contract should be reviewed and approved by the appropriate official before release. When academic freedom becomes an issue, agency review but not agency approval may be appropriate.

Ownership of Equipment: Any equipment purchased by or furnished to the Contractor by the State under this contract is provided on a loan basis only and remains the property of the State.

Legal Services: Contractor will be providing legal services under this contract. Contractor agrees that during the term of the contract he or she will not represent anyone in a matter, proceeding, or lawsuit against the State of Vermont or any of its agencies or instrumentalities. After termination of this contract, Contractor also agrees that he or she will not represent anyone in a matter, proceeding, or lawsuit substantially related to this contract.

Contractor's Liens: Contractor will discharge any and all contractors or mechanics' liens imposed on property of the State through the actions of subcontractors.

Comment: On occasion a subcontractor may do some work to State property that could be construed by the subcontractor to give rise to a lien against the property. While artisan's (mechanic's) liens cannot be enforced against State property (See 12 VSA s.5601(a)), it is nevertheless best practice to require the contractor to correct the matter and thereby avoid litigation.

Performance Bond: The contractor shall, prior to commencing work under this contract, furnish to the State a payment and performance bond from a reputable insurance company licensed to do business in the State of Vermont, guaranteeing the satisfactory completion of the contract by the Contractor and payment of all subcontractors, suppliers and employees.

Comment: **Performance Bonds have limited application in contracts for services.** This clause provides protection against failure of the Contractor to perform adequately under the contract or distribute funds to subcontractors or suppliers. Since the cost of the bond will increase the State's cost, the clause should only be used on larger contracts or where there are significant concerns about a Contractor's financial or other abilities. If a Contractor is expected to handle large sums of money as agent for the State, the term "surety bond" should be substituted for "payment and performance bond".

Owner's Protective Liability Insurance: The Contractor shall carry liability insurance protecting the State and the Contractor from all claims because of bodily injury or death and property damage, arising out of the work performed under the contract. The liability insurance shall be in an amount not less than **\$1,000,000** and a certificate of insurance shall be furnished to the State before commencement of work.

Comment: Owner's Protective Liability Insurance should be utilized when a contractor's business involves work at multiple job sites (not necessarily all for the State) and it is unclear whether the contractor would have adequate insurance coverage in the event of multiple occurrences at different sites. For example, contracts with large construction companies should include such a clause.

Professional Liability Insurance: Before commencing work on this contract and throughout the term of this contract, Contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$_____ per occurrence.

Comment: Professionals with whom the State contracts, e.g. lawyers, architects, physicians, health care providers, must be required to maintain professional liability insurance in sufficient amounts to protect the State's interest from the consequences of negligence. The Director of Risk Management will determine the minimum amount appropriate for different classes of professionals.

APPENDIX VII

GUIDELINES FOR REQUESTS FOR PROPOSALS

These guidelines should be used as a checklist by agencies to ensure that proposers receive adequate and timely information on all important matters. The guidelines should improve the quality and efficiency of preparing requests.

The guidelines are stated in general terms because requesters must tailor each request for a proposal so as to clearly reflect their specific needs or requirements. Accordingly, these guidelines are not mandatory. They are illustrations which may be modified or eliminated as appropriate.

LETTER OF TRANSMITTAL

An RFP package should include a cover letter which identifies:

1. Name and address of contact person;
2. Due date, **time and location** for responses;
3. Notification of any scheduled bidders' conference, including location, date and time, and stating whether attendance is a condition of selection;
4. Any other special requirements of the RFP process.

INTRODUCTION

The RFP itself should explain its purpose and the nature of the services that are sought.

Example: The purpose of this request is to obtain from independent management consulting firms proposals to perform a management study of the Division of External Obfuscation.

REQUIREMENTS FOR SUBMISSION

The RFP should explain the process and minimum requirements for submission of proposals.

Example: The proposal must be **received** no later than January 1, 1991, **by:**

John Doe
Executive Assistant
Division of Prolix Bulletins
109 State Street
Montpelier, Vermont 05602

The Division reserves the right to accept or reject any or all bids. The proposals will be evaluated by the staff of the Division. If a firm is selected, representatives will be invited to negotiate a contract.

BRIEF DESCRIPTION OF THE ORGANIZATION

The RFP should provide needed general information, such as the type of government unit, its statutory authority, budget size, number of employees, and population served. For any associated governmental units, explain their involvement or relationship to the organization. Briefly explain the mission or purpose of the organization. It is usually efficient to supply information from existing documents as an attachment to the RFP. Also describe any recent published documents which may contribute to the scope of services, such as financial audits, program reviews or technical studies.

Example: The Division was created by the Vermont General Assembly in 1980. The authority of the Division's Director is specified in 44 V.S.A. section 9999. The Division is mandated to (explain mission, purpose, services).

The Division has two advisory boards which are funded from state General Funds, and which meet quarterly. Attachment A to this RFP is a copy of the statutory language. Attachment B presents a copy of the Division budget for fiscal year 1991.

SCOPE OF SERVICES REQUESTED

The RFP should explain and clearly describe the scope of services to be provided. Be specific about terms of financial and/or program reviews, examinations, or services desired. Be clear about due dates. Include specifications for technical proposals.

Example: The management study will provide an independent judgment of the financial, administrative and marketing operations of the Division. The report, due on January 15, will identify areas of weaknesses and specific recommendations for improvements.

The selected consultant will review and consider the following:

1. Mission
2. Short and long term goals
3. Organization
4. Budget
5. Financing

The RFP should explain the nature of any assistance that will be available to the selected firm. Describe to what degree organization staff will be available to assist on the project. Also describe whether physical resources will be available.

Example: The division's personnel staff and accounting staff will be available to produce financial and personnel documents. Staff will undertake some research for consultant, but in-depth work must be done as part of the contract. Staff will be available for interviews by consultant. Consultants may use division office space and telephones for a period of two weeks.

The RFP should explain clearly and concisely the primary objective of the review. What is the expected outcome?

Example:

1. Opinion on financial statements

2. Evaluation of accounting systems
3. Evaluation of compliance with legislative mandate
4. Economy, efficiency and/or effectiveness of programs or operations.
5. Relative success of meeting goals and objectives.
6. Plans or recommendations for systems improvements.
7. Technical design.

REPORT FORMAT

If a report is to be the final product, the RFP should explain what should be in it. Specify to whom the report is to be addressed, and what form it should be in, including number of copies.

If you desire interim progress reports, preliminary final draft reports, or confidential draft copies of the report in advance of final publication, provide a time frame and dates.

RESTRICTIONS AGAINST DISCLOSURE

Sometimes agencies have legitimate needs to protect confidential information. The RFP can require contractors to maintain confidentiality, although the contract ultimately should duplicate this requirement.

Example: The Bidder agrees to keep the information related to the Division and all related agencies confidential. Other than the reports submitted to the Division, the Bidder agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner of form or authorize or permit others to do so. Bidder will take reasonable measures as are necessary to restrict access to the information, while in the Bidder's possession, to those employees on his/her staff and the agency who must have the information on a "need-to-know" basis, and (s)he agrees to immediately notify, in writing, the Division's Authorized Representative in the event (s)he determines or has reason to suspect a breach of this requirement.

Conversely, bidders sometimes want to know how the state will treat their proprietary information. The RFP should state whether such information will be returned or retained by the agency.

PROPOSAL FORMAT

In order to simplify the review process and to obtain the maximum degree of comparability, agencies should require that proposals be organized in a manner specified in the RFP. The following outline suggests how a proposal can be organized to include all necessary information.

Example: The offerer must include in the proposal the following information:

1. A brief description of the firm which includes its history, organization structure and size.
2. An illustrative list of contracts for services performed by the firm within the past two years. A short narrative describing the nature and extent of each engagement should be provided. Please indicate those organizations which may be contacted by the Division as references.
3. A copy of the firm's last financial statement.

4. A statement and discussion of the Offerer's analysis of the RFP requirements. This should include:
 - a. A proposed scope of work with an explanation of technical approaches and a detailed outline of the proposed program for executing the objectives of the RFP.
 - b. A description of the number of direct hours of activity by each principal who will work on the project, broken out by major activity.
 - c. Statements and discussion of anticipated major difficulties and problem areas, together with potential or recommended approaches for their solution.
5. A description or rationale for the proposal, including:
 - a. An explanation as to why the intended approach submitted is better than any other approach which could be employed.
 - b. An explanation of why the number of direct hours proposed will be sufficient to the task.
 - c. A statement of the extent to which the proposed approach and program can be expected to meet or exceed requirements and specifications of the scope of work.
6. A work plan for the engagement including the appropriate starting and ending dates of specific activities, and the issuance date of any final report.
7. A statement of whether the contractor will be reimbursed on a time and material basis or on a fixed price basis. If time and material compensation is desired, the cost proposal should indicate the estimated maximum total cost with a breakout of:
 - a. Fees for staff time, showing the level of staff to be assigned, titles, hourly rates and estimated number of hours.
 - b. Travel expenses, including transportation costs, lodging, and subsistence.
 - c. Detailed analyses for all overhead and other costs.

Reimbursement for time and materials will be by voucher based upon the actual staff assigned at the rates provided and upon actual other costs incurred based upon documentation acceptable to the Division, subject to the maximum amount indicated.
8. Resumes with detailed qualifications and levels of competence of individuals to be assigned to the project. This should include the total number of such individuals at each level and the estimated hours to be spent by each.

EVALUATION CRITERIA

The RFP should explain evaluation criteria that will be used in selecting a contractor. A point scale presented in tabular format is often useful to the bidder.

Example: The Division will review the proposal and evaluate based on the following criteria:

<u>Criterion</u>	<u>Maximum possible points</u>
A. Prior Experience:	
1. Completed work of similar type	5
2. Published results professionally	5
B. Organization Size and Structure of Offerer's firm. (Considering size in relation to work to be performed.)	5
C. Quality of staff and supervisors	
1. Qualifications of staff to be assigned	15
2. Supervision to be exercised over staff by firm's management. Education, position in firm, years and types of experience will be considered.	10
D. Offerer's understanding of work to be performed. This will be determined by the approach to the work and the time estimates to perform each activity.	
1. Quality of understanding of work	20
2. Adequate staff to meet deadlines	10
3. Realistic time estimates for each activity	10
E. Cost (Price = \$_____)	20
Maximum Points	100

Each proposal will be independently evaluated on Factors A through E by two or more qualified individuals. A composite score will be computed based on those independent evaluations.

QUESTIONS CONCERNING RFP

The RFP should state where questions concerning its contents should be addressed:

Example: Questions concerning this request for proposal should be sent to

John Doe
Division of Prolix Bulletins
109 State Street
Montpelier, Vermont 05602
(802) 828-9999

